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COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXIII

Ottawa, July 6, 1940

No. 1901



Canadian Douglas Fir Squares being Unloaded at Bombay Docks

ISSUED BY AUTHORITY OF
THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE
J. G. PARMELEE, DEPUTY MINISTER



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TRADE COMMISSIONERS ON TOUR

Mr. C. S. Bissett, Canadian Trade Commissioner at Havana, Cuba (whose territory includes Haiti, the Dominican Republic, and Puerto Rico), Mr. M. B. Palmer, Canadian Trade Commissioner at Port of Spain, Trinidad (whose territory includes Barbados, Windward and Leeward Islands, and British Guiana), and Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, Jamaica (whose territory includes the Bahamas and British Honduras), are on tour in the Dominion in the interest of Canadian trade with their territories. Following are their itineraries:—

Mr. Bissett

Montreal and district..	July 8 to 13	Grand Manan ..	July 30
Quebec..	July 15	Black's Harbour ..	July 31
Campbellton..	July 16	Toronto and district ..	Aug. 6 to 17
Charlottetown ..	July 18	Guelph..	Aug. 19
Halifax ..	July 20 to 23	Kitchener and district ..	Aug. 20
Lunenburg ..	July 24	Galt and Brantford ..	Aug. 21
Fredericton, East Flor- enceville, Grand Falls and Perth..	July 26 and 27	Hamilton and St. Cath- arines ..	Aug. 22
Saint John ..	July 29	London and district ..	Aug. 23
		Walkerville ..	Aug. 24

Mr. Palmer

Toronto and district ..	July 8 to 13	Kitchener ..	July 20
Hamilton..	July 15 and 16	Stratford, Woodstock and Ingersoll ..	July 22
St. Catharines, Niagara Falls and Welland ..	July 17	London ..	July 23
Brantford ..	July 18	Chatham and district..	July 24
Guelph..	July 19	Walkerville ..	July 25

Mr. Fraser

Windsor and Walkerville..	July 8	Port Hope, Cobourg and Peterborough ..	July 22
Chatham and district..	July 9	Belleville and district..	July 23
Woodstock and Paris..	July 10	Kingston, Gananoque and Brockville..	July 24
Brantford ..	July 11	Ottawa ..	July 25 and 26
Niagara Falls, St. Cathar- ines, Grimsby and Winona ..	July 12	Montreal..	July 29 to Aug. 14
Hamilton and district..	July 13 to 16	Granby and district ..	Aug. 15
Galt and district ..	July 17	Sherbrooke and district ..	Aug. 16 and 17
Kitchener and district..	July 18 and 19	Quebec ..	Aug. 19 and 20
Guelph and district ..	July 20		

Canadian firms who wish to be brought in touch with the Trade Commissioners should communicate, for Montreal, with the Montreal Board of Trade; for Toronto, with the office of the Canadian Manufacturers Association; and for other centres, with the respective Board of Trade or Chamber of Commerce.

UNITED KINGDOM IMPORTS FROM THE LOW COUNTRIES

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, May 28, 1940.—In *Commercial Intelligence Journal* No. 1895 (May 25, 1940), a report was published dealing with the imports into the United Kingdom from Scandinavian countries. The German invasion of Holland and Belgium has dislocated further the United Kingdom's sources of supply of many materials. The nature and extent of the United Kingdom's purchases from these two countries are classified below, particularly from the point of view of those commodities of which Canada is a producer and exporter.

Holland

Total imports into the United Kingdom from Holland in 1938 were valued at £28,806,117.

FOODSTUFFS

The Netherlands was primarily a supplier of foodstuffs to the United Kingdom. Of the total value of imports in 1938 from Holland £17,341,580 or 60 per cent was represented by "food, drink and tobacco." The principal items under this head imported in 1938 and the value of each were as follows:—

Dairy produce—	
Butter	£3,465,754
Cheese	413,783
Eggs, in shell	2,696,747
Margarine	126,064
Milk, condensed, unsweetened	90,494
Milk, condensed, sweetened	1,451,020
Milk powder, unsweetened	169,477
Cereal by-products—	
Bran and pollard	247,801
Sharps and middlings	135,470
Vegetables, fresh—	
Onions	712,056
Potatoes	93,973
Tomatoes	363,304
All other sorts	600,479
Peas, not fresh	516,526
Bacon	2,336,339
Poultry and game, dead	116,982
Fish, fresh, cured or canned	151,474
Fruit, dried or otherwise preserved without sugar . . . . .	.....
Other fruit, not fresh, and fruit pulp	340,811
Yeast	199,457

In this connection it should be recalled that the importation of practically all imported foodstuffs is now controlled by the Ministry of Food. Any benefits accruing to Canadian export trade are therefore likely to be governed largely by the amount of Canadian exchange available and the urgency of the supplies required.

RAW MATERIALS

Raw material imports from the Netherlands in 1938 were valued at £4,768,742. Some items of interest to Canada are:—

Hides and skins, undressed—	
Hides	£ 251,366
Oils, fats and greases—	
Fish and marine animal	1,070,038
Linseed oil	291,480
Textile materials (other than silk, cotton, etc.), raw and mainly unmanufactured—	
Flax and flax tow or codilla	235,574

MANUFACTURED GOODS

In the category of manufactured goods, certain of which are listed below, the stoppage of strawboard imports from Holland will exert an important

influence on board supplies generally in the United Kingdom. Some of the more important items in this group imported in 1938 were as follows:—

Chemicals, drugs, dyes and colours—	
Chemical manufactures and products (other than drugs and dyestuffs)	£ 257,958
Drugs, medicines, and medicinal preparations	169,525
Cotton manufactures ((except apparel and embroidery)	349,650
Electrical goods and apparatus	432,747
Leather and manufactures thereof—	
Leather, undressed and dressed	139,935
Machinery and parts thereof	511,759
Metals—	
Iron and steel and manufactures thereof	343,088
Tin blocks, ingots, bars and slabs	173,345
Petroleum, refined	417,451
Paper, cardboard, etc.—	
Cardboard and millboard, kraftboard, strawboard, leather-board, vulcanized fibreboard, and wallboards	1,266,612
All other kinds	265,013
Starch, and preparations therefrom	776,689

Belgium

Belgium was predominantly a supplier of manufactured goods to this market. The value of goods received from Belgium in 1938 aggregated £18,259,158 and imports of fully manufactured products accounted for 63 per cent of this amount.

Imports of foodstuffs were valued at only £2,517,105.

RAW MATERIALS

Among imports of raw materials from Belgium (£4,051,762), flax is the outstanding commodity. The leading import items were as follows:—

Iron and steel, scrap and waste, fit only for the recovery of metal	£ 135,975
Seeds and nuts for oil, oils, fats, resins and gums—	
Gums and resins	130,418
Textile materials (other than silk, cotton, etc.), raw and mainly unmanufactured—	
Flax	2,012,778
Flax tow or codilla	138,137
Wool, raw, and waste, and woollen rags—	
Wool, raw, sheep's and lamb's wool	242,907
Wool noils	283,503
Flowers, foliage, etc.—Plants, shrubs, trees and bulbs (including corms, etc.)	71,825

MANUFACTURED GOODS

In the fully manufactured goods section, Belgium's position as an important supplier of iron and steel and non-ferrous metals to the United Kingdom is apparent from the following list of imports in 1938:—

Chemicals, drugs, dyes and colours—	
Potassium compounds	£ 122,100
Painters' and printers' colours and materials, not elsewhere specified	110,333
Cotton manufactures (except apparel and embroidery)—	
Piece-goods	649,929
Electrical goods and apparatus	217,958
Leather and manufactures thereof	126,987
Machinery and parts thereof	482,674
Iron and steel, and manufactures thereof—	
Iron and steel bars, rods, angles, shapes and sections, other than special steel	996,350
Blooms, billets and slabs of steel, other than special steel	409,746
Hoop and strip	210,098
Pig iron	178,270
Plates and sheets	171,353
Tubes, pipes and fittings	51,898
Wire	54,585
Wire nails, tacks and wire staples (other than insulated staples)	136,821

Imports of Belgian Manufactured Goods—Concluded

Non-ferrous metals and manufactures thereof—	
Cobalt	£ 164,775
Tin, blocks, ingots, bars and slabs	105,337
Zinc or spelter, unwrought in ingots, blocks, etc.	522,947
Zinc, manufactures of (including sheets, etc.)	118,734
Pottery, glass, abrasives, etc.—	
Glass and glassware	1,193,441
Asbestos manufactures	125,613
Cement, calcareous, ground for building and engineering purposes	267,385
Artificial silk manufactures, except apparel	97,660
Fur and other skins, dressed, and manufactures thereof—	
Rabbit skins, dressed	199,148
Gelatine, glue and size	259,664
Hair, other than raw, and manufactures of hair, etc.—	
Hatters' fur	240,046
Matches, containers containing more than 20 matches	204,280

Belgium's contribution to the United Kingdom during wartime was likely to be chiefly confined to iron and steel and metals. These trades are also being operated under the full control of the Ministry of Supply. As in the case of Dutch foodstuffs, any increased quantities which may be required from Canada will probably be limited by the emergency conditions and the exchange which can be devoted to the purchase.

PAPER CONTROL IN THE UNITED KINGDOM

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

(This report is the fourth received from London on Paper Control in the United Kingdom.—Ed.)

London, May 29, 1940.—Since the preparation of the third report on "Paper Control in the United Kingdom," dated April 15 and published in *Commercial Intelligence Journal* No. 1893 (May 11, 1940), the Ministry of Supply has issued five new Paper Control Orders: Nos. 12, 13, 14, 15 and 16.

Order No. 12 pertains to the manufacture of paper for stock in the United Kingdom, and is of no concern to Canadian manufacturers.

Order No. 13, effective May 27, provides for percentage increases in the maximum selling prices of many grades and kinds of paper as set out in the first and second schedules of the Control of Paper No. 10 Order. Some examples of the maximum prices were given in the report which appeared in *Commercial Intelligence Journal* No. 1893 (see page 707). Of the prices shown in that report, newsprint prices are increased 5 per cent under Order No. 13 and extras 10 per cent. The price of boxboard, strawboard, and chipboard, kraft liner, test (jute) liner board, is not altered, but an increase of 10 per cent is allowed on extras. The price of kraft paper, both M.F. and M.G., is increased 5½ per cent, while extras are increased 10 per cent. These increases apply only to paper manufactured in the United Kingdom by the seller. It should be noted that the price of white- or cream-lined chipboard, first quality, which was shown as £30 10s. 0d. per ton in the previous report, should have read £26 0s. 0d. per ton.

Under Order No. 14, no producers of paper may deliver or convert any paper from June 2 to August 31, 1940, except under licence or by special permission from the Minister. It is furthermore provided that the Minister may give directions both to the person to whom the paper has been delivered, and to the producer who converts the paper, as to the manner in which it may be disposed of or used. This order also prohibits during the same period the disposal of any imported paper except under licence, and all importers of paper, whether direct consumers or not, have now to apply to the Paper Controller for

the necessary licences to dispose of paper imported by them. Four separate forms are provided, known as Import A, B, C and D. These import licence forms are as follows:—

Import A.—For licences (a) to dispose of paper to converters or consumers, or (b) to dispose of paper to the order of a merchant in a quantity of one ton or over to a specific customer of that merchant.

Import B.—For licences to dispose of a bulk quantity of papers to a merchant for disposal by him from stock or for deliveries to his order in a quantity of less than one ton.

Import C.—For licences only for a bulk quantity for disposal by the importer in quantities of less than one ton.

Import D.—For licences to convert paper by the importer of such paper.

Order No. 15 pertains to the acquiring of certain grades of waste paper, except under licence, by a producer of paper, and provides for a number of increases in the maximum prices payable for certain grades of waste paper.

Further far-reaching restrictions on the manufacture and use of paper have also been issued in Order No. 16. Among other things the order prohibits the issue of new periodicals and of many types of posters and circulars, including newspaper contents bills. It restricts the size of all posters and their exhibition. The use of wrapping and packing material is further restricted. Retailers are placed under an obligation to refuse to wrap goods which do not require wrapping for their protection. The manufacture of certain classes of paper goods (handkerchiefs, serviettes, table cloths, cups, saucers and plates, festoons, confetti) is prohibited altogether. These prohibitions and restrictions do not apply to production for export, and the Ministry of Supply may in special circumstances "authorize the doing of any act which would otherwise be prohibited by the Order."

Copies of these orders have been forwarded to the Department of Trade and Commerce, Ottawa.

CONTROL OF CHEESE IN THE UNITED KINGDOM

G. R. PATERSON, ANIMAL PRODUCTS TRADE COMMISSIONER

London, May 31, 1940.—In conformity with the frequently stated policy of the United Kingdom Government to maintain the cost of living as nearly as possible at pre-war levels, the Ministry of Food have announced that from May 27, 1940, all home-produced cheese, and all imported Cheddar cheese shall be subject to a Maximum Prices Order.

Two price schedules appear in the order. The first schedule deals with farmhouse- and factory-produced varieties manufactured in the United Kingdom, and has been arranged after consideration of the normal comparison of values between home-produced and imported cheese and the wartime costs of production in the United Kingdom. The second schedule includes imported Cheddar cheese, practically all of which is being purchased direct by the Ministry of Food on the basis of agreements arranged with the Governments of the various Dominions concerned.

Provision has been made in the order for retailers to display prominently both the price and origin of the cheese exposed for sale. In the case of the latter, the description shall be "Home-Produced Farmhouse Cheese," or "Home-Produced Creamery Cheese," or "Empire," or "Empire Matured." The last named description shall apply only to Canadian cheese manufactured prior to January 1, 1940.

The order does not apply to the sale of home-produced cheese manufactured prior to January 1, 1940, or to the sale of cheese as part of a meal, or to the sale of cheese for ships' stores.

The schedules of maximum prices, shown in shillings and pence per hundred-weight of 112 pounds and in cents per pound, are as follows:—

FIRST SCHEDULE

Maximum Prices of Home-Produced Cheese

Column 1 Variety of Cheese	Column 2 On a Sale to a Factor		Column 3 On a Sale to a Wholesaler		Column 4 On a Sale to a Retailer		Column 5 On a Sale by Retail	
	Per Cwt.	Per Lb.	Per Cwt.	Per Lb.	Per Cwt.	Per Lb.	Per Lb.	Per Lb.
	s. d.	Cents	s. d.	Cents	s. d.	Cents	s. d.	Cents
(a) Cheddar or Dunlop	109 8	21.79	115 4	22.91	121 4	24.11	1 4	29.67
(b) Cheshire, Lancashire or Leicester or any type of farmhouse cheese not specified in this schedule other than blue-veined soft curd cream cheese..	100 4	19.91	106 0	21.05	112 0	22.25	1 3	27.71
2. Creamery—								
(a) Cheddar or Dunlop	93 4	18.55	98 0	19.47	104 0	20.66	1 2	25.96
(b) Cheshire, Lancashire Derby or Leicester or any type of creamery cheese not specified in this schedule other than blue-veined soft curd or cream cheese	91 0	18.08	95 8	19.00	101 8	20.18	1 2	25.96
3. Caerphilly (all types).. . . .	88 8	17.55	98 0	19.47	105 0	20.85	1 2	25.96
4. White Wensleydale (all types)..	91 0	18.08	98 0	19.47	104 0	20.66	1 2	25.96
5. White Stilton (all types).. . . .	91 0	18.08	.....	.....	102 8	20.39	1 2	25.96

NOTE.—The maximum prices mentioned in columns 2, 3 or 4 of this schedule are fixed on the basis of delivery at the buyer's premises and include all costs and charges of, and incidental to, such delivery.

One hundredweight equals 112 pounds.

Column 2—"Factor" is a buyer who is a member of a recognized association.

SECOND SCHEDULE

Maximum Prices of Imported Cheese

Column 1 Variety of Cheese	Column 2 On a First-hand Sale		Column 3 On a Sale by Wholesale		Column 4 On a Sale by Retail	
	Per Cwt.	Per Lb.	Per Cwt.	Per Lb.	Per Lb.	Per Lb.
	s. d.	Cents	s. d.	Cents	s. d.	Cents
Australian, New Zealand, South African, Eire cheese						
Canadian (manufactured in the year 1940).. . . .	85 0	16.89	91 0	18.08	1 0	22.25
Canadian. Matured (mfd. prior to Jan. 1, 1940) . . .	100 0	22.25	107 0	21.27	1 2	25.96

NOTE.—(1) The maximum prices mentioned in column 2 of this schedule are fixed on the basis of delivery "ex store" and include all costs and charges of, and incidental to, such delivery.

(2) The maximum prices mentioned in column 3 are fixed on the basis of delivery at the buyer's premises and include all costs and charges of, and incidental to, such delivery.

(3) The maximum prices relating to Canadian matured cheese shall not apply to the sale of such cheese prior to July 1, 1940.

MARKET FOR MEN'S SHIRTS IN THE WEST OF ENGLAND

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

Bristol, June 4, 1940.—The Canadian Trade Commissioner at Bristol has received inquiries from time to time concerning agencies for Canadian shirts, details of which can be obtained on application to the Department of Trade and Commerce, Ottawa.

Generally speaking, the open-front type of shirt sold in Canada is not commonly worn in this country and, particularly in the cheaper ranges, is not at all popular. The English shirt is as a rule of the tunic style which buttons only half way down the front and is put on over the head. The so-called American style shirt is, however, becoming better known through the imported lines on the market, and some local manufacturers have adopted it for a few of their lines. The made-to-measure trade usually offers the purchaser either style, and it has been stated that the open-front is gaining in popularity.

As may be expected, there is a wide variety in material, style and finish. In particular there is a demand for the semi-stiff finish, which is offered under various descriptive trade names. Popular and bulk selling lines among the cheaper shirts are those with reinforced fronts, referred to as "double fronted shirts." Special features of this shirt are stressed in advertising and display matter supplied to the retailer.

Shirts are sold as in Canada with collars attached or with two separate soft collars, although the proportion of the latter is higher. The chief demand in collars is for the type described as having "twin tabs and stiffeners". These collars fit tightly around the front of the neck, the small tabs on either side being slipped over the collar stud to hold them in place. Celluloid stiffeners may, or may not, be used to hold the front in shape. To a lesser degree the "polo", or long-point, collar is supplied, sometimes one of each type to match the shirt.

SIZES

Following are the sizes and corresponding measurement markings on English shirts, either number or size in inches being used:—

Size No.	0.	1.	2.	3.	4.	5.
Neck band (in inches)	13½	14	14½	15	15½	16
Collar (in inches)	14	14½	15	15½	16	16½

The most popular sizes are Nos. 2, 3 and 4.

Except in the more expensive lines, selling retail at 12s. 6d. up, there is usually no variation in the sleeve length of shirts of any one size. When a choice is available the sleeve is generally marked "long", "medium" or "short". In the cheaper trade there is no choice of sleeve lengths. One agent has expressed the opinion that a range of sleeve lengths would not be popular with retailers, who would have to carry more extensive and varied stocks.

PRICES

At the present time prices are so unstable that it would be useless to quote them in this report. Shirts are included in a comprehensive list of goods the prices of which are controlled under wartime regulations. The retail price must not exceed that in effect on August 21, 1939, plus a certain increase to cover higher production and overhead costs. In addition individual manufacturers may fix a wholesale and retail price at which their branded goods may be sold, and these prices are included in a schedule attached to a "Permitted Prices" Order. The schedule to No. 1 Order, dated May 10, 1940, contains the following entry:—

	Retail Buying Price per Garment	Retail Selling Price per Garment
Men's and Youths' cotton shirts manufactured and marketed by Young & Rochester, Ltd., Dane Court, Oakcroft Road, Pyrford, Surrey, under the brand or name "Tootal-Wynanar":		
Tunic Shirts with 2 collars—		
Black Pin	s. d. 6 5	s. d. 9 6
Red Pin	7 2	10 6
Claret Pin	7 2	10 6
Blue Pin	8 7	12 6
White Pin No. 0	6 0	8 9
White Pin No. 1	6 8	9 9
White Pin No. 2	7 3	10 6
Orange Pin	8 7	12 6
Navy Pin No. 2	7 3	10 6
Collar-attached Shirts—		
Brown Pin No. 1	4 5	6 3
Grey Pin No. 1	6 6	9 6
Grey Pin No. 2	5 10	8 6
Grey Pin No. 3	7 3	10 6
Navy Pin	7 3	10 6
Claret Pin No. 2	6 6	9 6
Sports Shirts	5 2	7 6

IMPORTS

According to the trade returns, imports of "shirts, collars and cuffs" into the United Kingdom were as follows in 1938, with comparative figures for 1937:—

	1937		1938	
	Dozens	£	Dozens	£
Japan.....	360,176	165,996	357,733	158,369
United States.....	13,442	10,344	12,657	14,292
Germany.....	2,969	1,608	3,158	1,495
Eire.....	3,053	3,640	2,324	3,109
Other British countries.....	8,269	11,006	5,210	8,589
Other foreign countries.....	4,043	3,848	4,173	3,560
Total.....	391,952	196,442	385,255	189,414

OPPORTUNITIES FOR CANADIAN MANUFACTURERS

Canadian manufacturers of shirts who would be interested in appointing an agent in the West of England or the Midlands for the distribution of their lines are invited to communicate with the Canadian Trade Commissioner, Bristol, sending complete details, including prices, samples and descriptive literature.

Quotations, which should be c.i.f. United Kingdom ports and preferably in sterling, should include agents' commission of 5 per cent and a cash discount of $2\frac{1}{2}$ per cent. The discount, even though included in the price, is sometimes an inducement for buyers. All the shirts stocked by a wholesale firm are frequently included in one small department the staff of which are more familiar with handling domestic than imported lines.

IMPORT REGULATIONS AND DUTIES

An open general licence has been issued covering the importation of shirts, collars and cuffs from Empire countries, and at the present time no individual licences are required.

Cotton shirts of Empire origin enter the United Kingdom duty free. The preferential silk duty on silk shirts, on the other hand, is calculated at five-sixths of the full rate, and this varies according to the silk content. Details regarding the silk duty may be obtained on application to the Department of Trade and Commerce, Ottawa.

[Since this report was written, the open general licence effective since September 30, 1939, authorizing the importation without individual import licences of shirts, collars and cuffs, when consigned to the United Kingdom from Empire countries, has been withdrawn. Unless despatched to the United Kingdom before June 10 and imported before August 10, therefore, such shirts, collars and cuffs can be imported only if individual licences are granted for particular consignments.]

MARKET FOR HOB NAILS AND PROTECTOR STUDS IN THE SOUTH MIDLANDS

E. L. McCOLL, CANADIAN TRADE COMMISSIONER

Bristol, May 30, 1940.—There is an active demand for hobs and other footwear protector nails, not only in the South Midlands but throughout the whole of the United Kingdom. Before the war all importations were from Belgium and Germany; but afterwards they came from Belgium only, and now supplies from that country are no longer available. Until very recently one English firm alone imported 1,000 tons a year, which is estimated to be not more than 2 per cent of total imports.

INQUIRIES FOR NEW SOURCES OF SUPPLY

Several inquiries for these nails have been received by the Trade Commissioner at Bristol, but the Canadian article that is offered is not acceptable, as it differs substantially in design from that used here, and for this reason manufacturers in the Dominion have not been able to obtain any of the business. As substantial quantities of other types of Canadian shoe nails are sold in the United Kingdom, there would appear to be no insurmountable difficulty in the way of producing this particular type of hob nail and protector stud in Canada. Costs of production would evidently be competitive. A brief description of the Belgian product formerly sold in this market follows.

BELGIAN HOB NAIL AND PROTECTOR STUD

Belgian hobs and studs are pressed out of wire varying from 5 to 8 gauge according to the size required. The operation forms a large head and a very thin shank, making them particularly suitable for machine driving, which is the usual method adopted by boot manufacturers in this country. For this reason they are also popular in the repairing trade. After the pressing operation they are annealed and smoothed off by barrelling. In the main a dull finish is preferred, as highly polished studs are not as securely held when the nailing is done by hand. During the annealing operation care is taken that the shank is not made too brittle; it is left sufficiently soft to permit the point to turn on striking the last.

The distinctive feature of these hobs and studs is the thin, serrated shank, which, due to the small puncture made in the leather, maintains a firm hold.

The size of hob used depends on the class of work in which the wearer of a shoe is engaged, but the shape of the head—there are several shapes—is in general designed for setting off the appearance. The flat top for the centre of the sole, and the crab or six-sided hob for the edge, go together. Another combination is the square or Welsh top for the centre, with the fitter hob, of which there are three shapes, for the outside. Due to the present emergency, however, a hob or stud of almost any shape would be acceptable. The size numbers most in demand for each type of head are as follows:—

Type of Head	Size No.
Flat top (stud)	2½ and 3
Rectangular	3
Welsh	4
Crab or cress	3 (but 4 also popular)

The bulk of these nails have a square shank, as they are for machine use; those to be driven by hand have either a round or square shank.

CANADIAN HOBBS

Canadian hobs and protective studs are cut from sheet metal on a machine similar to that used for the manufacture of blue cut tacks. The shank is very heavy—a feature which has given rise to several objections, one of which is that it adds unnecessary weight, reducing the number of nails to the pound for a given size and shape of head as compared with the Belgian type. It makes a perforation which is considered unnecessarily large.

The good features of the Canadian hob are not understood here and, so far as can be learned from the trade, no sales have been effected up to the present. If, due to circumstances, purchasers are forced to accept this product, it would probably be only for the duration of the war.

Production of the Belgian-type nail in Canada would appear to be good policy, as it is only through such enterprise that trade developed as a result of wartime emergency conditions could be held afterwards. On this side of

the Atlantic machines for the manufacture of the Belgian hob are made only in Germany. Therefore, any Canadian manufacturer desirous of undertaking production would have to design his own machine, as they are probably not made either in Canada or the United States.

DUTY AND IMPORT REGULATIONS

Hob nails and studs of Empire origin are entitled to duty-free entry under Imperial preference. The duty on imports from foreign countries was removed on March 18, 1940, owing to the difficulty of obtaining supplies. On account of the duty on the foreign article being removed, there is no longer the necessity of complying with the Empire content and direct consignment requirements of the Imperial preference regulations. A licence to import is required.

SAMPLES AVAILABLE

Samples of the Belgian hobs and studs may be obtained by interested Canadian firms on application to the Department of Trade and Commerce, Ottawa.

EXCHANGE AND IMPORT CONTROL IN THE BRITISH COLONIES

FREDERIC HUDD, CHIEF TRADE COMMISSIONER IN THE UNITED KINGDOM

London, May 30, 1940.—In view of inquiries received from Canadian exporters shipping goods to various British Colonies regarding the wartime exchange and import regulations which now govern import trade into those countries, there is presented here a general statement, based on information received from official sources, setting forth the general principles of the legislation which has been adopted.

In most Colonies import licensing is conducted by administrative action on general instructions from the Secretary of State for the Colonies and largely follows the system in force in the United Kingdom. Generally import control is a necessary complementary measure to exchange control; but in some Colonial territories, where the economic structure is very simple, exchange control alone is sufficient. Where import control is necessary Colonial governments have imposed the minimum of control required to conserve exchange resources, while hampering trade as little as possible. For this purpose imports are, broadly speaking, divided into four categories:—

- (1) Unessential luxuries;
- (2) Goods of which other Empire supplies are ample;
- (3) Goods of which foreign supplies were not normally large, but were essential in small quantities; and
- (4) Goods of which substantial foreign supplies are necessary.

Imports of the first class can be absolutely prohibited, except possibly from certain Empire countries, and imports of the second class restricted from other countries. Imports of the third class can be left unrestricted, but watched closely; and imports of the fourth class should be made subject to licensing. It is left to the discretion of the Colonial governments as to how these classes should be drawn up.

All Colonial governments have imposed a system of import licensing, except those of St. Helena and the Seychelles, where exchange control serves both purposes, and those of the Bahamas and Northern Rhodesia where import licensing has for special reasons not been introduced.

MARKET FOR FURS IN SOUTH AFRICA

J. C. BRITTON, ASSISTANT TRADE COMMISSIONER

Johannesburg, May 1, 1940.—There is a limited but increasing market for furs in South Africa. During the past five years of exceptionally prosperous conditions in the Union, a wider interest has developed in articles of apparel made from furs, although considerations of purchasing power and population are likely to prevent this market from becoming an important one for Canadian exporters of high-grade furs.

Certain factors combine to restrict the demand in this country, the most important being climatic conditions and limited population. For the greater part of the year fairly warm weather prevails throughout the entire country, and in the coastal belt of the Natal Province, which is semi-tropical, this condition is general throughout the year. In the winter season—June, July and August—brisk to cold weather is general in the Transvaal, Orange Free State, and certain parts of the Cape Province, when furs can be worn with comfort.

The total population of the Union is slightly over 10,000,000. This includes approximately 2,100,000 of European descent, the remainder being natives, coloured or Indians who, because of their generally low standard of living, are not purchasers of furs. If the percentage of Europeans whose standard of living does not permit the purchase of luxury articles of this type is deducted, the number of potential consumers is reduced to a few thousands.

TYPES OF FUR IN DEMAND

Price rather than quality governs purchases in this country. There is comparatively little outlet, therefore, for the more expensive furs, especially the heavier varieties. Consequently cheap furs such as rabbit, nutria, pony and inexpensive fox and squirrel account for the greatest volume of trade. Silver, cross, red and dyed varieties of fox skins are also in demand, and there are prospects of increasing sales of these skins. A few blue fox skins have recently been imported and have aroused some interest. Sales of higher-priced varieties, such as mink, ermine, platinum fox, etc., are restricted, and dealers seldom carry a wide selection of these in stock. Furs made up in the form of ties, capes, coatees and three-quarter length coats are popular at present, but there is very little sale for full-length coats.

SOURCES OF SUPPLY

Figures of imports of furs from the principal supplying countries in the last four calendar years are shown in the following table:—

	1939	1938	1937	1936
Total	£88,708	£70,771	£94,607	£84,680
United Kingdom	69,785	63,570	87,688	80,953
France	4,521	3,323	1,618	858
Canada	4,153	1,096	340	411
United States	2,927	695	822	739
Belgium	2,605	49	321	435
Russia	2,238	438	3,015	436
China	947	34	106	94

In the past the United Kingdom has been South Africa's principal source of supply for furs. This domination of the trade by the United Kingdom is attributable mainly to the long-standing direct buying connections which have been established with purchasers in this country and, of course, to the predominant world position of the London fur market. Prior to the outbreak of hostilities representatives of South African firms visited the United Kingdom each year. This has naturally retarded the development of direct purchasing from fur-producing countries such as Canada, Norway, and the United States. Moreover,

the outstanding position of London as a world fur market, where supplies of prime furs from every country are available, has in the past simplified purchasing problems for South African buyers. In addition to offering a world-wide market, local buyers are of the opinion that in the past purchases could be made in London at lower prices than would normally have been the case if direct purchases had been made in the fur-producing countries concerned.

More than 80 per cent of the total fur imports into South Africa in the calendar year 1939 consisted of made-up apparel as opposed to tanned or dyed pelts. Figures for the previous years are not available, but in all likelihood the percentage of made-up apparel would be higher. The domestic wholesale fur manufacturers are steadily becoming more important, so that imports of tanned or dyed pelts may be expected to increase. The duty on tanned and dyed pelts is now considerably lower than that on made-up apparel, which should have the effect of increasing local fur manufacturing.

DISTRIBUTION

Because of the limited extent of the market, there are very few retail firms dealing exclusively in furs, although a number of the leading departmental stores and fashion shops carry a small range, especially of the less expensive furs. The latter, in view of the restricted market, usually import, direct or through agents, fully manufactured fur garments and other articles. The exclusive furriers, on the other hand, do their own manufacturing to a large extent, and they are, therefore, the only important outlet for unmanufactured furs in this country. Recently the placing of a tariff on dressed skins, and especially on made-up furs, has encouraged the establishment of several wholesale furriers in the Union but, aside from relatively small sales to departmental stores, they are generally dependent upon their own retail departments for their chief outlet.

Almost invariably manufacturing furriers obtain their supplies of skins direct from overseas, for which purpose buyers visit the fur sales in London each year.

There are a few instances of United Kingdom houses being represented by selling agents in South Africa, but this procedure is unusual, as buyers prefer to visit the overseas fur sales personally. Whether or not the war will seriously interfere with this practice is uncertain, because, even if travelling is restricted, it is possible that local buyers will still prefer to purchase from London through their established purchasing connections. It seems doubtful, therefore, whether sales through agents resident in South Africa will increase, particularly since in the nature of the trade agents are generally not prepared to carry a wide range of expensive samples.

PROSPECTS FOR CANADIAN FURS

The trade figures quoted previously do not, of course, reflect the true position of Canadian furs imported into South Africa. In addition to the £4,153 worth of furs recorded as coming from the Dominion in 1939, it would be reasonable to assume that a good percentage of the £69,000 worth shown as imported from the United Kingdom is in reality of Canadian origin. This is particularly true of such furs as fox and squirrel, of which there is a substantial importation.

Prospects of establishing a direct trade in furs between Canada and South Africa under present conditions are distinctly more favourable than formerly, since buying trips to the United Kingdom and Continental countries have been drastically curtailed on account of the war. Whether additional business will be placed with Canadian fur exporters will depend largely on their willingness to cater to the type of trade which predominates in the Union, and also on their ability to quote as low or lower prices for direct purchase than those ruling on the London market. Even assuming this to be possible, there is some doubt

as to the feasibility of endeavouring to cater to the South African market by correspondence. South African buyers are accustomed to inspect furs personally before purchasing, and obviously this is a desirable practice under normal conditions. Whether wartime conditions and the consequent restriction of buying trips to London will be a sufficiently strong influence to change this long-established practice is difficult to say. Bearing in mind this factor and the smallness of the market, it seems desirable that Canadian firms wishing to enter this market should in the first instance establish direct contacts with buyers rather than entrust the sale of their furs to resident agents. Names and addresses of these will be supplied to interested Canadian exporters on application to the Trade Commissioners in Cape Town and Johannesburg. Many reliable accounts will agree to the establishment of a letter of credit in Canada; where this is not possible they will make payment on receipt of documents in this country. The buying season for furs in South Africa comprises the months of June to October for delivery in the period December to January.

TARIFF

Undressed furs enter the Union of South Africa duty free. The rates of duty on dressed furs are shown in the following table:—

	Minimum Per Cent	Intermediate Per Cent	Maximum Per Cent
Furs, not being raw and unmanufactured skins:			
(a) In the original pelt, tanned and dyed ad val.	10	10	15½
(b) Furs, including muffs and articles of apparel (except gloves) made from furs ad val.	33½	33½	45

The intermediate rates of 10 per cent and 33½ per cent respectively are applicable to furs imported from all countries.

INDIAN MARKET FOR FOX AND MINK SKINS

PAUL SYKES, CANADIAN TRADE COMMISSIONER

Bombay, April 23, 1940.—There is a very small market for fox and mink furs in India. This is due as much to the fact that furs are not required in a climate which for the greater part of the year is unusually hot and humid as it is to the inability of the bulk of the population in this country to pay for such luxuries. Certain types of Canadian furs have, however, been sold in this country for some time past.

EXTENT OF MARKET

A large part of India lies within the tropics, and climatic conditions throughout the country are such that furs and other types of warm clothing are seldom required. For a short period during the cool season, extending roughly from November to March, temperatures in parts of northern and western India, as well as at scattered hill stations, are sufficiently low to encourage the occasional use of furs by the few thousand Europeans living in those districts and by a sprinkling of well-to-do Indians. In practically all other districts, however, furs are of no more than ornamental value and are purchased and worn by a very small element of the European population. Their use by Indians is uncommon.

In considering the demand for furs on the part of the Europeans in India it is to be noted that this community of perhaps 100,000 persons is for the most part made up of transients who may live in the country for a considerable number of years but who retain their domicile elsewhere and return to their homes on leave at frequent intervals. It has always been customary and is

obviously desirable for such people to purchase stocks of clothing, household equipment, and similar necessities when on leave rather than during the course of their stay in India, and on this account most of the furs worn by Europeans have been originally bought in London, Paris, New York, or other western centres of the fur trade. Furs purchased locally are in general required as temporary replacements, as gifts, or for similarly casual purposes.

The demand of the Indian population for such goods as fox and mink furs is practically non-existent. Only a minute section of the 400,000,000 Indians can afford such luxuries, while most of those who are able to do so follow the example of the Europeans by purchasing their requirements when in the United Kingdom or on the Continent.

A further point is the precise character of the existing demand for furs. There is a limited demand for black, red, white, and silver fox furs. Mink is seldom seen and is such an expensive fur that buyers will in general prefer to purchase it abroad, where it will at times be guaranteed as to quality. The bulk of the fur business in India, however, is in rabbit, squirrel, and other light and cheap furs which can be easily made up into evening wraps and similar articles, wanted for temporary use only.

Indian trade returns give no indication of the value of imports of furs nor of their origins. Most of them are understood to be imported by caravan from Afghanistan, Russian Turkestan, and Russia, while small quantities are brought in by sea from the United Kingdom, France, Norway, and Canada.

DOMESTIC COMPETITION

In so far as the Indian fur market is one in which low prices are traditional, competition offered by domestic varieties such as rabbit, squirrel, and the skins of various domestic animals may be counted as of considerable importance. A wrap made of these skins may be more serviceable and less costly than a fox or mink fur of doubtful durability and, when the total demand for furs of any type is strictly limited, the incidence of this competition will be appreciated.

Fox and mink are trapped in India in very small numbers. Different types of fox are native to several parts of the country, but their skins are of little if any commercial value. While mink may occasionally be found in northern districts, there is no organized industry based on such resources.

There has not to date been any development of importance in the production of ranch-bred furs in this country. Demand has not warranted the investment of capital in such ventures, nor are conditions suitable for the breeding of any of the more valuable of the fur-bearing animals.

TRADE ORGANIZATION

The trade in furs throughout India is mainly in the hands of individual dealers, who handle these goods as a side-line to their main business in carpets, rugs, silks, and curios. Purchases are often made directly from brokers in London or Paris, while orders are also placed with larger dealers or agents in Bombay, Peshawar, or other cities in western and northern India. The dealers invariably buy raw skins and cure them in their own establishments or have this done by the many small tanneries common to all Indian cities. It is unusual for furs to be handled by any of the European departmental stores or any of the few other retail firms in India operating under European management. Small demand, the extent of investment involved, competition from native dealers, and the difficulty of keeping the goods in sound condition are the principal reasons for this situation.

PRINCIPAL MARKET CHARACTERISTICS

One of the essential features of the market for imported furs in India is that dressed furs are not required and the demand is exclusively for a raw

product. This results from the provision in the Indian Customs tariff of a duty of 25 per cent ad valorem on dressed furs, whereas raw furs and skins are admissible free of duty. The cost of curing and finishing is so much less than the duty on a dressed product that it is on rare occasions only that offers on any such goods will be considered.

A second factor is the perishability of furs in the Indian climate. This is due in many instances to improper curing, but however well a fur may be prepared, it must still be stored in refrigerated space during the eight or more months of hot and humid weather or it will be completely destroyed. It is sometimes said that Indian methods of curing are less thorough than should be used for imported furs. Although this may at times be the case, no fur can withstand local climatic conditions for any length of time.

It is of additional importance to note the universal requirement that furs should be cheap. The standard purchase price of silver fox furs for some time past has been £5 sterling per skin and, although it is generally recognized throughout the trade that this is a comparatively low figure, few dealers will pay more. They expect at the same time to get every consideration from their shippers with regard to size, colour, and uniformity.

When selling to individual dealers it is of the greatest importance that shippers take all possible steps to secure the confidence of these firms in the quality of their furs and in their readiness to give fair value as well as to adjust complaints on an equitable basis. The native dealer can as a rule see only his own point of view, while he does not in general feel it necessary to retain a connection with which he may have been dealing for a considerable time if an alternative one seems more attractive. Business with such accounts must accordingly be given the most careful attention if they are to be permanently retained.

OPPORTUNITIES FOR CANADIAN TRADE

Canada's exports of furs to India have comprised occasional small direct shipments to local dealers and an unknown volume of sales through London or other fur auctions. The total annual volume of the trade cannot amount to more than a few thousand dollars a year. Some increase in this business should be possible, although it can only be of small extent. If sales are to be made from Canada, agents can be appointed in the principal Indian cities to canvass dealers and forward their indents. Sales can alternatively be made to selected dealers without the necessity of employing an intermediary. In either case initial concessions will have to be made in the form of trial shipments on easy payment terms or of provision for return of the goods until the confidence of local accounts is secured, after which sales can be made on a normal basis.

The market can also be reached through representatives in London, and in this case the advantage of quicker deliveries than can be received from Canada will be available. London brokers can be instructed to forward offers to a local agent or to direct buyers and keep their principals posted as to business obtained and market trends which may be of particular interest.

The principal developments in the local market for Canadian fox furs during recent years has been the introduction of Norwegian ranch-bred furs, and the present cessation of this trade may lead to a slight increase in Canadian business. Norwegian exports to India have generally been made through direct sales to individual dealers, while some of the business has also been arranged through London. Neither Norway's nor Canada's trade has been large or regular enough to justify competition between the two countries being given serious attention, but Canadian business is likely to benefit to some extent from the existing export position as between the two countries.

BURMA AND CEYLON

The market for furs in Burma and Ceylon can be counted as of minor importance. The European population in both these countries amounts to a few thousand persons only, and climatic conditions are even less conducive to the use of furs than in India. It can be assumed, therefore, that exports to these territories will be very limited.

TRADE OF IRAQ IN 1939

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

[One Iraqi dinar (I.D.) equals £1 sterling]

Cairo, May 11, 1940.—Compared with 1938, the trade of Iraq in 1939 was marked by a substantial decline in imports, a slight advance in exports, and a considerable reduction in the adverse balance of trade, as shown by the following official figures:—

	1939 I.D.	1938 I.D.	Inc. or Dec. I.D.
Imports	8,156,179	9,361,004	—1,204,825
Exports (excluding crude oil)	3,524,727	3,472,369	+ 52,358
Adverse balance of trade	4,631,452	5,888,635	—1,257,183

The unfavourable balance of trade was as usual more than offset by oil royalties chiefly and invisible exports.

PRINCIPAL IMPORTS

The principal commodities imported into Iraq in 1939 and 1938, with total values for the respective years and the chief sources of supply for each item, were as follows:—

Cotton piece-goods, I.D. 1,050,063 and I.D. 833,013 (United Kingdom, Italy, British India); artificial silk piece-goods, I.D. 377,717 and I.D. 419,543 (Japan, Italy, Syria, France, Germany); sugar, I.D. 554,185 and I.D. 505,143 (Dutch East Indies, Egypt, Holland, Belgium, United Kingdom, Czecho-Slovakia); clothing, including underwear, I.D. 312,466 and I.D. 349,483 (Japan, United Kingdom, United States, Syria, Italy); boilers, machinery, and mechanical apparatus and applications, including parts thereof, I.D. 556,951 and I.D. 995,838 (United Kingdom, United States, Germany); tea, I.D. 332,103 and I.D. 346,878 (Dutch East Indies, Ceylon, British India); woollen piece-goods, I.D. 142,285 and I.D. 239,588 (Italy, United Kingdom, Belgium, Japan); automobiles and their parts, I.D. 320,081 and I.D. 397,973 (United States, United Kingdom, etc.); iron, cast iron, and steel, I.D. 755,215 and I.D. 1,057,696 (United Kingdom, Belgium, United States, Germany, France); electrical machinery and apparatus, and articles for electro-technical use, including parts thereof, I.D. 231,841 and I.D. 242,322 (United Kingdom, Germany, Holland); fuel oil, I.D. 77,339 and I.D. 75,596 (Iran); motor spirit, I.D. 99,107 and I.D. 91,334 (Iran); soap, I.D. 66,656 and I.D. 101,835 (Syria, British India, United Kingdom, United States); timber, I.D. 163,296 and I.D. 336,736 (Roumania, British India, French Indo-China, Yugoslavia); cement, I.D. 157,029 and I.D. 183,672 (United Kingdom, Japan, Germany, Yugoslavia, Syria); silk piece-goods, I.D. 20,877 and I.D. 34,979 (Japan, China, France, United Kingdom); wooden receptacles for the packing of dates, I.D. 76,359 and I.D. 65,869 (Sweden, Finland, Norway, Yugoslavia).

Imports of sugar, fuel oil, motor spirit, and wooden receptacles for the packing of dates showed increases; those of the other commodities enumerated above showed decreases, quite important in some cases.

CHIEF EXPORTS

Iraq's larger items of export in 1939 and 1938, with principal purchasing countries, included the following:—

Grain, pulses and flour, I.D. 1,015,741 and I.D. 1,158,063 (United Kingdom, British India, Japan, Kingdom of Saudi Arabia, Palestine and Transjordan); dates, I.D. 963,224 and I.D. 884,973 (British India, United Kingdom, United States, Canada, Egypt); live animals, I.D. 246,609 and I.D. 185,497 (Palestine and Transjordan, Syria, Egypt); raw wool, I.D. 630,640 and I.D. 437,709 (United States, France, Germany); raw cotton, I.D. 121,732 and I.D. 217,663 (Japan, British India); hides and skins, I.D. 154,580 and I.D. 185,356 (United Kingdom, United States, Syria, Germany); seeds, I.D. 46,901 and I.D. 82,976 (United Kingdom, Japan); intestines (casings), I.D. 62,598 and I.D. 111,763 (United States, Germany); fish, I.D. 28,707 and I.D. 23,570 (Palestine and Transjordan); eggs, I.D. 2,231 and I.D. 2,548 (Palestine and Transjordan, and Syria); liquorice roots, I.D. 10,540 and I.D. 17,842 (United States, United Kingdom); ghee, I.D. 6,537 and I.D. 10,388 (Palestine and Transjordan).

Except for dates, live animals, raw wool, and fish, all the commodities named above showed declines.

TRADE WITH CANADA

According to the figures issued by the Dominion Bureau of Statistics, imports from Iraq into Canada in 1939 were valued at \$479,398 as against \$303,244 in 1938, and exports from the Dominion to Iraq in these years were valued at \$41,990 and \$40,289 respectively. The trade balance in favour of Iraq in 1939 was \$437,408 as compared with \$262,955 in the preceding year.

Dates are the chief item imported into Canada from Iraq. Canadian exports to Iraq include pneumatic tire casings; inner tubes; other rubber manufactures; canned herrings, salmon and sardines; evaporated milk; upper leather; ploughs and parts; and automobile parts.

EFFECT OF WAR ON IRAQ'S TRADE

Iraqi statistics show that since the outbreak of war the total volume of exports has increased considerably, and it is reported that the country has succeeded in disposing of much of its surplus stocks of grain. On the other hand, imports appear to have declined substantially.

As regards the changed trading conditions resulting from the war, it is difficult, in the absence of detailed statistics in respect of sources of supply, to gauge the situation accurately. Enemy countries have been eliminated from the Iraqi market, while a number of commodities cannot be obtained from certain others owing to shipping difficulties, export prohibitions and other factors. An interest has developed in Canada as a source of supply, and inquiries received at the Cairo office from Iraq indicate that the Canadian products in greater demand are the following: newsprint and other papers; iron and steel products; chemicals; timber; canned fish; canned vegetables; canned fruit; condensed milk; rubber articles; silk hosiery; and safety razor blades.

ECONOMIC CONDITIONS IN 1939

Economic conditions in Iraq, adversely affected by low prices of agricultural produce during the first eight months of the year, showed improvement after the outbreak of war, owing to higher prices of and heavy foreign demand for Iraqi products. The financial situation of the country is reported to be reassuring in view of the abnormal times. Large oil royalties, supplemented by assistance from the British Government through the Export Credits Department, and fresh arrangements with the oil companies operating in Iraq have made available funds for extraordinary defence requirements and capital expenditure on large schemes of public works, in which respect the Government's program continues to be progressive.

With the exception of dates, crops were good, and the oil output was maintained at a high level.

BRAZILIAN LUMBER IMPORTS

L. S. GLASS, CANADIAN TRADE COMMISSIONER

Rio de Janeiro, May 31, 1940.—Brazil has tremendous resources of hardwoods and has also the Paraná pine, of which the stand is some two billion feet in the State of Paraná. Imports of timber and lumber are limited. In 1936, the latest year for which detailed figures of such imports are available, purchases from abroad amounted to 4,110 tons valued at £8,100 gold.

Most of Brazil's lumber imports consist of certain fancy woods, such as curly and flaming birch, and of some mahoganies and special walnuts of central southern Europe. Brazil imports from Canada a small quantity of sitka spruce, amounting to about eight standards a year, for the manufacture of masts and oars. It will be obvious from the foregoing that Brazil does not offer a market of any importance for Canadian timber or lumber.

ECONOMIC CONDITIONS IN ECUADOR IN 1939

S. G. MACDONALD, ASSISTANT TRADE COMMISSIONER

(The average exchange rate of the sucre in 1939 was 14·83 to the U.S. dollar and 14·30 in 1938; one kilo equals 2·2 pounds; one quintal equals 101·2 pounds.)

Lima, Peru, May 10, 1940.—The depressed economic conditions in Ecuador in 1938 continued into the following year. Prices of a number of the chief agricultural export products were low and supplies were reduced while the value of the sucre fell from 1938 levels, with the result that prices of imported products were higher. Following the outbreak of war in Europe, prices of imported articles advanced sharply. Import control measures of various types were in effect throughout the year. Government finances were unsatisfactory, and deficits increased. At one time during the year it was necessary to arrange loans from foreign firms, mainly oil or mining companies operating in Ecuador, in order to meet current government expenses. The political situation throughout most of the year was somewhat uncertain, thus intensifying the difficulties of commercial enterprises.

FOREIGN TRADE

According to statistics of the Banco Central del Ecuador, there was a slight reduction in the value of the 1939 exports, which amounted to 164,840,543 sucres as compared with 169,095,627 sucres in 1938. The value of imports also was slightly reduced from 148,314,911 sucres in 1938 to 148,860,226 sucres. When comparing these figures it must be borne in mind that the average value of the sucre was 14·30 in 1938 and 14·83 in 1939 to the United States dollar.

The favourable visible trade balance in 1939 of 16,980,317 sucres was due to the volume of trade in the first half of the year, as in the last six months there was an unfavourable balance of about 2,000,000 sucres. This situation is in contrast with that existing in 1938, when the balance in the second half of the year was favourable.

PRODUCTION

The returns from the cacao crop were again unsatisfactory in 1939. Shipments from Guayaquil totalled 288,648 quintals (of 46 kilos) as compared with 366,998 quintals in 1938. However, the average price in 1939 for this commodity was U.S.\$7.86 as compared with U.S.\$6.39 during the previous year. In 1937, with a larger export volume moving, the average price was U.S.\$9.23. With the increased value of shipments, the reduced crop in 1939 returned

37,030,919 sucres as compared with 39,276,289 sucres in 1938. With a world price of U.S.\$11.02 for cacao in the final quarter of 1939, the prospects for the returns from the new crop, although reported to be reduced from that of 1939 in volume, are considered more favourable.

Other agricultural products, including coffee (the second most important agricultural product exported by Ecuador), tagua, Panama hats, rice, hides, rubber, bananas, wool, other fruits, etc., declined in export values in 1939 to 61,507,977 sucres from 67,564,406 sucres in the previous year, despite, with the exception of coffee, a general rising tendency in export values.

The production of petroleum and its derivatives declined, as is indicated by the export statistics, since the domestic consumption, which is relatively small, varies slightly from year to year. In 1939 exports of petroleum totalled 215,064 metric tons as compared with 245,165 metric tons in 1938. Gasoline exports fell also, from 1,257 metric tons to 373 metric tons. Conversely the value of gold and silver produced entirely for export has shown a steady increase from 18,681,943 sucres in 1937 to 21,397,459 sucres in 1938 and 26,403,366 sucres in 1939. The constant increase in the production of gold is reflected in the acquisition made by the Banco Central which, by reason of the prices paid, obtains a good part of this production. These purchases reached the following volumes and values: 1937, 675,635 grams (8,239,165 sucres); 1938, 824,207 grams (12,660,453 sucres); and 1939, 1,152,148 grams (18,880,580 sucres).

The development of national industry, which has been slow, showed definite signs of advancement in 1938, and this continued in 1940. This development has been due mainly to the increased immigration of Central European artisans of various kinds, coupled with the necessity of meeting domestic requirements from local production on account of the steadily increasing value of foreign exchange and the imposition of import control. The demand has increased for goods of national production, while quality has shown some tendency towards improvement.

FINANCE

The 1939 budget of the Ecuadorean Government, issued in January of that year, provided for a balance of income and expenditure of 126,000,000 sucres or about 15,000,000 sucres greater than that for 1938. This was revised and supplemented several times to total 130,950,000 sucres. The deficit of about 12,000,000 sucres from 1938 was carried forward in the 1939 budget. Revenues for the year were not as large as anticipated, resulting in the necessity of carrying forward some 11,000,000 sucres deficit at the end of the 1939 fiscal year. In an endeavour to end this continuous carrying forward of deficits, and believing that revenues would be less in 1940, Congress issued the 1940 budget in November, 1939, with a balance at 113,050,000 sucres, or some 17,900,000 sucres less than that provided for in the previous year's budget. Later extraordinary budgets for public works and schools were issued, totalling 8,025,000 sucres. Every effort is being made to take up the 1939 deficit in the 1940 budgetary expenses, while the costs of many of the public services have been drastically curtailed in order that a balance may be reached at the end of the present fiscal year. The long series of government borrowings which have been effected for years past was continued in 1939 and, unless a definite improvement in conditions takes place in Ecuador during the present year, further loans will probably be required.

EXCHANGE

The official rate of the Ecuadorean sucre fluctuated in value in 1939 between 14.40 and 15.00 to the United States dollar, with an average for the year of 14.83 sucres. On June 1, 1939, the rate was stabilized at 15 sucres, but commercial banks quoted rates slightly higher. No exchange control was in effect but, by means of import control measures, the supply and demand for exchange

was governed. All these measures were abolished as from January 1, 1940, and consequently the volume of imports is controlled only by the amount of foreign exchange available in the market from exports and services, etc., as is the case in any free market.

GOLD RESERVES

Ecuador's gold reserves, which were valued at 44,085,490 sucres in 1927 and amounted to 13,266,779 grams, steadily declined both in value and total weight during the following five years. In 1932 these reserves were valued at 17,408,986 sucres and weighed 5,088,230 grams. In 1935, with a revaluation, they were valued at 38,830,834 sucres for a weight of 3,862,192 grams. In the following year a further revaluation of the 3,386,173 grams held gave them a value of 42,526,686 sucres. A slight reduction in value and weight took place in the following two years to 39,798,376 sucres for 3,216,639 grams at the end of 1938. During 1939 the reserves fluctuated somewhat, and there was a fall in the first four months of the year, followed by a rapid rise to a new high level of 46,153,000 sucres in August; from this point there was a steady reduction to 40,857,151 sucres weighing 3,271,275 grams at the end of the year.

NOTE CIRCULATION

The average of circulation media in 1939 amounted to 150.7 million sucres as compared with 146 million sucres in 1938. In the earlier months of the year there was but a slight increase as compared with the same months of 1938, but in the latter months there was a noteworthy advance with each succeeding month. Unlike the situation in 1938, international prices followed the changes in the levels of circulation fairly closely. Taking 1927 as the index year, the internal price level increased from 158.2 in January to 165 in December, a reverse movement as compared with 1938 when the price index was reduced from 169.9 in January to 157 in December. Prices of imported products have advanced considerably since the outbreak of war, estimated by some authorities at 30 per cent.

The discount rate, which was modified in 1936 from the rigidly sustained rate set in 1932, is 7 per cent for operations of the Banco Central with associated banks and for bank acceptances. For the general public the rate is 9 per cent.

For a number of years Ecuador has passed through very depressed times, and 1939 was no exception. The outbreak of war has cut off or greatly curtailed a number of export outlets, mainly for agricultural products. The rapid rise in prices of imported goods has begun to reduce importantly such imports, and in turn government revenues are lessened. Unless other markets which are open to Ecuadorean products increase their purchases and export prices for such products become firmer, the economic prospects of Ecuador for 1940 cannot be viewed with great optimism.

FOREIGN TRADE OF CHINA IN 1939

V. E. DUCLOS, CANADIAN TRADE COMMISSIONER

II

Nature of China's Import Trade

(Values have been converted from customs gold units into United States dollars at the Chinese Maritime Customs official average rate for each year as follows: 1938, one g.u. equals U.S.\$0.68; 1939, one g.u. equals U.S.\$0.75. One kilogram equals 2.2 pounds; one quintal equals 220 pounds.)

The following table shows in order of importance the imports into China in 1939 from all countries by principal commodity groups, with the percentage which the value of each item is of the total value of imports; comparative figures

for 1938 are also shown. The grouping adopted is approximately that under which the duties are classified by the Chinese Maritime Customs, but some individual items of major importance have been shown separately.

China's Imports by Principal Commodity Groups

	1938	1939	1938	1939	1938	1939
	Million G.U.	Million G.U.	Rank	Rank	Per Cent of Total	Per Cent of Total
Total imports	385.6	538.8	..	..	100.00	100.00
Raw cotton	5.5	69.8	21	1	1.44	12.95
Chemicals and pharmaceuticals	24.8	30.7	2	2	6.43	5.70
Wheat flour	23.1	30.6	5	3	5.99	5.68
Metals and ores	28.4	29.4	1	4	7.36	5.46
Paper and pulp	19.7	24.6	6	5	5.11	4.56
Machinery and tools	24.4	24.5	4	6	6.33	4.55
Rice	24.8	22.5	3	7	6.43	4.17
Sugar	8.5	21.5	16	8	2.20	3.99
Vehicles and vessels	14.8	18.4	7	9	3.84	3.41
Dyes, pigments, paints, and varnishes	13.5	18.2	8	10	3.50	3.38
Tobacco	9.8	15.0	12	11	2.54	2.78
Wheat	0.001	14.8	30	12	....	2.77
Timber	9.7	13.9	13	13	2.51	2.58
Miscellaneous metal manufactures	12.9	13.5	11	14	3.34	2.51
Kerosene	13.0	12.5	10	15	3.37	2.32
Fruits, seeds, and vegetables	6.0	11.0	20	16	1.56	2.04
Manufactured cotton goods (including cotton yarn and thread)	13.2	10.9	9	17	3.42	2.02
Coal	9.1	10.6	15	18	2.33	1.97
Wool and manufactures	8.2	10.5	17	19	2.13	1.95
Silk and manufactures (including artificial silk)	7.6	10.5	18	20	1.97	1.94
Gasolene	9.0	10.0	14	21	2.33	1.85
Flax, ramie, jute, and linen	6.4	8.4	19	22	1.66	1.56
Animal products, canned goods, and groceries	4.4	6.8	22	23	1.14	1.26
Fishery and sea products	4.3	6.7	23	24	1.11	1.24
Medicinal substances and spices	3.0	5.7	24	25	0.78	1.06
Wood, bamboo, rattan, coir, straw, and manufactures	2.9	4.7	25	26	0.75	0.87
Hides, leather and other animal substances	1.9	3.0	26	27	0.49	0.56
Wines, beer, spirits, table water, etc.	1.2	2.5	29	28	0.31	0.46
Stone, earth, and manufactures	1.7	2.3	27	29	0.44	0.43
Chinaware, enamelware, and glass	1.6	2.1	28	30	0.41	0.39
Sundry	45.4	29.0	..	..	11.77	5.38

NOTES ON CHIEF COMMODITY GROUPS

RAW COTTON

Owing to the greatly increased demand for cotton goods and the lack of domestic supplies of raw cotton, imports of this commodity amounted to the record figure of U.S.\$52.4 million (70 million g.u.). British India was the leading supplier with 38 million g.u., followed by Brazil with 15 million g.u. and the United States with 10.8 million g.u. This represents about ten times the normal quantity of imports. In times of peace, China's domestic supplies are almost sufficient for her requirements but, apart from the insufficiency of native crops, the partial elimination of Japanese competition in certain Eastern markets has enabled the Shanghai mills to expand their export trade in manufactured cloths, while the influx of thousands of Chinese from war-stricken areas has stimulated the local demand, with the result that the mills have been working to their fullest capacity and are absorbing far more than their usual requirements of raw cotton.

CHEMICALS AND PHARMACEUTICALS

As usual imports of sulphate of ammonia figured largely in the returns under the above heading; the total quantity imported was valued at U.S.\$6.6

million (9 million g.u.), almost the same as in the two previous years. Germany was the chief supplier (3.6 million g.u.), followed by Great Britain (2.4 million g.u.) and Belgium, while Canada supplied this fertilizer to the value of U.S.\$45,000 (60,000 g.u.). The next largest item in this classification was caustic soda, valued at U.S.\$1.6 million (2.07 million g.u.), of which Japan's share was 1 million g.u. Other important items in this group were acetic acid, muriatic acid, sulphuric acid, carbolic acid, chloride of lime, chemical fertilizers, chlorate of potash, soda ash, and chemical compounds. In nearly all these lines Japan was by far the largest supplier, followed by Germany; Canada's share of this trade was negligible.

WHEAT AND WHEAT FLOUR

The failure of the domestic wheat crop in North China for two successive years, due to the severe floods in that area and hostilities, combined with the shortage of rice, has created a serious situation, particularly in the Tientsin district, and huge imports of foreign wheat flour and wheat have been necessary. The value of imports of wheat rose from \$193 (257 g.u.) in 1938 to U.S.\$11 million (14.8 million g.u.) in 1939, over 80 per cent of this going to Shanghai; Tientsin absorbed 12 per cent and Tsingtao took the balance. Australia was the largest supplier, being credited with U.S.\$7.3 million (10 million g.u.), followed by the United States, U.S.\$3.8 million (5.1 million g.u.); and Canada, U.S.\$25,666 (34,000 g.u.).

The large increase in imports of wheat flour shown in the Customs returns for 1938 was more than maintained during 1939, the value of imports totalling U.S.\$22.9 million (31 million g.u.) as compared with U.S.\$15.7 million (23 million g.u.) in 1938 and U.S.\$1.8 million (2.7 million g.u.) in 1937. Most of this was consumed in North China, over 73 per cent having entered at the port of Tientsin. Australia and the United States divided practically the whole of this business between them, their totals being U.S.\$12 million (16 million g.u.) and U.S.\$8.3 million (11 million g.u.) respectively. Japan was third with U.S.\$1.9 million (2.5 million g.u.), while Canada ranked fourth with imports valued at U.S.\$0.4 million (0.6 million g.u.).

METALS AND ORES

Imports under this heading were valued at U.S.\$22 million (29 million g.u.) as compared with U.S.\$21 million (28 million g.u.) in 1938. The principal items under this heading were galvanized and ungalvanized iron and steel sheets and plates, bars, joists, pipes, tubes, hoops, nails, etc.; scrap iron and steel, lead, tin, zinc, nickel, and anti-friction metal. The principal supplier was the United States with imports valued at U.S.\$5.7 million (7.6 million g.u.), followed by Germany and Belgium. Canada ranked sixth with imports to the value of U.S.\$0.8 million (1.1 million g.u.), consisting mainly of aluminium, brass and yellow metal sheets, lead, zinc, and nickel.

PAPER AND WOOD-PULP

Imports of various types of paper were valued at U.S.\$18.2 million (24.2 million g.u.) as compared with U.S.\$13.2 million (19.4 million g.u.) in 1938. Japan predominated to a large extent, particularly in common printing paper, kraft, cigarette paper, boxboards, and paperware, her total shipments being valued at 13.3 million g.u. as compared with 6.3 million g.u. in 1938. The greatest increase was in Japan's shipments of common printing paper, made chiefly of mechanical wood-pulp—from 46,000 quintals valued at 0.7 million g.u. in 1938 to 175,000 quintals valued at 2.6 million g.u. in 1939, of which Shanghai took 2.1 million g.u. and Tientsin 1.8 million g.u. Germany and the United States were next in order of importance as suppliers of paper to China,

followed by the Scandinavian countries. Canada ranked ninth with imports valued at U.S.\$197,000 (263,000 g.u.), almost exactly the same amount as in the previous year, although still far below the total for 1937 when imports from the Dominion under this heading were valued at U.S.\$1.3 million (1.9 million g.u.). This large decrease is accounted for by the reduction in imports of newsprint for Shanghai newspapers, many of which have ceased publication or have cut down their size since the outbreak of the Sino-Japanese hostilities. Imports of newsprint from Canada in 1939 were valued at U.S.\$127,000 (169,000 g.u.); kraft was next in importance, imports totalling in value U.S.\$63,547 (84,700 g.u.). Small quantities of wallpaper were also brought in from Canada.

Wood-pulp imports into China were valued at U.S.\$235,000 (314,000 g.u.), a small increase over the figures for the previous year. In former years Canada was an important supplier of this commodity but, owing to the closure of most of the Chinese paper-mills and consequent lack of demand, no imports were recorded from the Dominion during 1939, Japan and Sweden sharing practically the entire volume of business in equal quantities.

MACHINERY AND TOOLS

Out of total imports valued at U.S.\$18.4 million (24 million g.u.), Japan supplied to the extent of 13.4 million g.u., Great Britain was second with shipments worth 6.8 million g.u., followed by Germany with 1.9 million g.u. and the United States with 1.6 million g.u. Canada's share of this trade was small, amounting only to U.S.\$11,850 (16,000 g.u.) as compared with U.S.\$27,379 (31,000 g.u.) in 1938. The principal items in this classification were textile machinery, 8.4 million g.u.; miscellaneous machinery and parts, 8.3 million g.u.; electric motors and parts, 1.2 million g.u.; hand tools, chiefly of metal, 1.1 million g.u.; and prime movers and parts, 1 million g.u.

RICE

Large imports of rice were again necessary to make up the shortage in the native crop, and this cereal was brought in to the value of U.S.\$16.7 million (22 million g.u.). Thailand (Siam), French Indo-China, Korea and Burma, in order of importance, were the principal suppliers.

SUGAR

Owing to the extension of the Sino-Japanese conflict to Southern China during 1939 and the consequent closure of the sugar refineries in that territory, imports of sugar were abnormally large, being valued at U.S.\$16.2 million as compared with U.S.\$5.8 million in 1938. It was supplied mainly by Formosa, Japan, Hongkong, and Netherlands India.

VEHICLES AND VESSELS

The value of imports under this classification amounted to U.S.\$13.8 million (18 million g.u.) as compared with U.S.\$10 million (14.7 million g.u.) in 1938. The United States supplied more than half of the total imports (10.6 million g.u.), while Japan, Germany, and Great Britain were also important suppliers. Canada's share under this heading amounted to U.S.\$8,062 (10,750 g.u.) and was mainly in motor cars, the most important single item in this group, the total imports of which were valued at U.S.\$2.1 million (2.9 million g.u.). Imports of aircraft and accessories for the use of the army and navy are not published.

DYES, PIGMENTS, PAINTS AND VARNISHES

The value of China's imports under this heading totalled U.S.\$13.6 million (18 million g.u.), a considerable increase over the preceding year when they were

valued at U.S.\$9.2 million (13.5 million g.u.). Germany, Japan, and the United States were the principal suppliers, while Canada's share amounted to U.S.\$4,248 (6,998 g.u.) only, composed almost entirely of bronze powder, although small shipments of cobalt oxide were also recorded.

TIMBER

Owing to a large increase in the imports of ordinary sawn softwoods, the returns under the heading of timber rose from U.S.\$6.6 million (9.6 million g.u.) in 1938 to U.S.\$10 million (14 million g.u.) in 1939. Nearly half of the total represented imports of sawn softwood, which rose from 167,000 cubic metres valued at U.S.\$2.4 million in 1938 to 320,000 cubic metres valued at U.S.\$4.4 million (5.8 million g.u.) in 1939. Japan and the United States were the largest suppliers of sawn softwood, with imports valued at 2.3 million g.u. and 2.5 million g.u. respectively. Canada's share amounted to 61,329 cubic metres valued at U.S.\$661,500 (882,482 g.u.). Following is a list of the other important items in the timber groups, showing the total imports, principal supplying countries, and Canada's share of the trade: softwood rough hewn and round logs, U.S.\$3.4 million (4.5 million g.u.), from Japan (2.2 million g.u.), United States (1.8 million g.u.), Canada (417,509 g.u.); manufactured softwood (not including masts and spars), U.S.\$51,000 (68,000 g.u.), from United States (45,000 g.u.), Canada (21,000 g.u.); sawn hardwood, U.S.\$358,000 (478,000 g.u.), from Philippine Islands (152,000 g.u.), Japan (120,000 g.u.); hardwood rough-hewn and round logs, U.S.\$353,000 (472,000 g.u.), from United States (193,000 g.u.), Japan (222,000 g.u.), Canada (48,000 g.u.); manufactured hardwood, not including masts and spars, U.S.\$140,000 (187,000 g.u.), from Japan (172,000 g.u.); timber laths, not over 125 cm. in length, U.S.\$20,000 (27,000 g.u.), from Japan (18,000 g.u.), Canada (2,400 g.u.); railway sleepers, 189,962 pieces valued at U.S.\$184,000 (246,000 g.u.), from Canada (60,878 pieces valued at 127,000 g.u.), Japan (107,681 pieces valued at 99,000 g.u.); and softwood n.o.r., U.S.\$40,000 (54,000 g.u.), from Japan (37,000 g.u.), Canada (1,303 g.u.).

COAL

Coal was again imported in unusually large quantities owing to the continued closure of many North China mines as a result of the China conflict. Many countries participated in this trade, the total imports amounting to 1,413,672 metric tons valued at U.S.\$8 million (10.6 million g.u.), which was slightly higher than for the preceding year. Although several inquiries were received at the office of the Canadian Trade Commissioner during the year regarding the possibility of purchasing coal from Canada, it was found that the high freight charges precluded the Dominion from competing with supplies from British India and Formosa, and consequently no business was possible. However, since the outbreak of the European war, renewed interest has been shown in Canadian coal, and it is possible that something may eventually develop in this direction.

MISCELLANEOUS METAL MANUFACTURES

Imports in this important group were valued at U.S.\$10.1 million (13.5 million g.u.), almost the same value as in each of the two previous years. Japan predominated with imports valued at 5.8 million g.u. while Germany with 2.2 million g.u., the United States with 1.7 million g.u., and Great Britain with 1 million g.u., were also large suppliers. Following are the items in which Canada was interested; the total value of imports of each item is shown, the value of Canada's shipments and of those of the principal supplier being also given within parentheses: electric cables, 757,000 g.u. (Japan, 289,000 g.u.; Canada, 37,000 g.u.); unwelded electric wire, 1.6 million g.u. (Japan, 585,000

g.u.; Canada 39,000 g.u.); electric fittings and materials, 1.1 million g.u. (Japan, 748,000 g.u.; Canada, 6,100 g.u.); needles, 139,000 g.u. (Germany, 72,000 g.u.; Canada, 3,289 g.u.). Important items under this classification in which Canada did not participate were scientific instruments and apparatus (1.2 million g.u.), insulated electric wire (1.6 million g.u.), radio sets and parts (0.7 million g.u.), and watches and parts thereof (1.2 million g.u.).

ANIMAL PRODUCTS, CANNED GOODS, AND GROCERIES

Altogether forty countries participated in the trade under this heading, the total imports being valued at U.S.\$5.1 million (6.8 million g.u.), which represented a substantial increase over the 1938 value of U.S.\$3 million (4.4 million g.u.). Japan was naturally the largest supplier, being credited with 3.9 million g.u., while the United States, Formosa and Australia were also prominent in these returns.

Canada's share of U.S.\$28,500 (38,000 g.u.) was made up almost entirely by shipments of 28,729 kilograms of butter valued at U.S.\$19,400 (26,000 g.u.). Owing to her prices being non-competitive with those of Australia and New Zealand, this is the first time Canada has participated in the butter trade since 1936, when her shipments amounted to 9,275 kilograms valued at U.S.\$5,000 (7,500 g.u.). Of the total butter imports in 1939, amounting to 269,163 kilograms (212,000 g.u.), Australia is credited with 106,000 g.u. and New Zealand with 46,600 g.u., while Canada ranked third in importance. The remainder of the imports from Canada under this heading was made up of milk food (292 g.u.), evaporated milk (5,478 g.u.), tinned fish (2,300 g.u.) and macaroni (68 g.u.).

FISHERY AND SEA PRODUCTS

Imports of long seaweed from Japan into Tientsin, Tsingtao and Chefoo accounted almost entirely for the increase in imports of fishery and sea products, which were valued at U.S.\$5.1 million (6.7 million g.u.) as compared with U.S.\$2.9 million (4.3 million g.u.) in 1938. Japan supplied 75 per cent of the total imports, while Canada was credited with U.S.\$73,000 (97,000 g.u.). As in former years, dry salt herring made up the bulk of Canadian shipments, the Dominion having the largest share of this trade with imports amounting to 17,000 quintals valued at U.S.\$67,500 (90,000 g.u.) out of aggregate imports of 28,000 quintals worth U.S.\$120,400 (160,000 g.u.). This total is much less than the normal quantity of dry salt herring imported annually before the Sino-Japanese hostilities when shipments usually amounted to about 150,000 quintals. It is expected that an even greater drop will be shown in the returns for 1940, as no dry salt herring business was booked for Canada in the 1939-40 season. At the opening of the fishing period importers were reluctant to order, as they feared that the high cost in local currency, resulting from the depreciated exchange, would place this food beyond the purchasing power of the Chinese masses. Later on in the year, when they wished to order limited quantities, no supplies were available from Canada. Small shipments of cuttlefish, with a value of U.S.\$3,700 (5,300 g.u.), made up the remainder of Canada's shipments of fishery products.

SUNDRIES

Imports in this group showed a decline from U.S.\$30.8 million (45 million g.u.) in 1938 to U.S.\$21.7 million (29 million g.u.) in 1939. The entire decrease was in "articles not otherwise recorded" entering the southern port of Kowloon and almost certainly consisting of aeroplanes and other military supplies which were entering "Free China" via Kowloon and Canton prior to the capture of the latter city by the Japanese in November, 1938. Nearly all the other items in the "sundries" group showed an increase. Following are the items in which

Canada was interested, the total value for each item being given, with the value of Canada's shipments and of those of the principal suppliers being shown within parentheses: cattle, 83,000 g.u. (Japan, 37,000; Australia, 14,500; Canada, 6,800); rubber pneumatic tires for motor vehicles, 1·7 million g.u. (Great Britain 373,000 g.u.; Canada, 85,000 g.u.); rubber inner tubes for motor vehicles, 220,000 g.u. (United States, 120,000 g.u.; Canada, 10,300 g.u.); rubber manufactures n.o.r., 674,000 g.u. (Japan, 341,000 g.u.; Canada, 2,900 g.u.); piano parts and accessories, 45,000 g.u. (Canada 11,300 g.u.; Japan, 9,860 g.u.); imitation leather and oilcloth, 323,000 g.u. (Japan, 247,000 g.u.; Canada, 5,800 g.u.); toilet equipment, 35,000 g.u. (Japan, 308,000 g.u.; Canada, 3,250 g.u.); toys and games, 318,800 g.u. (Japan, 240,000 g.u.; Canada, 4,336 g.u.); fodder, 21,000 g.u. (Japan, 5,700 g.u.; Canada, 5,000 g.u.); and seeds, 152,000 g.u. (Kwantung Leased Territory, 82,000 g.u.; Canada, 703 g.u.).

OTHER GROUPS

As Canadian exporters are not interested to any appreciable extent in the remaining commodity groups, detailed comment is unnecessary except to state that imports of all of them showed increases over the respective figures for the preceding year with the exception of manufactured cotton goods and kerosene which decreased slightly.

CHINA'S PRINCIPAL IMPORTS FROM CANADA

The total value of imports from Canada into China in 1939 increased from U.S.\$2·3 million (3·4 million g.u.) in 1938 to U.S.\$3·2 million (4·3 million g.u.), although it was still far below the normal level. The Sino-Japanese conflict has hampered Canada's trade with China, perhaps to an even greater extent than in the case of most other countries, as the Dominion's exports to this country were mainly of natural produce, such as lumber, metals and wood-pulp, needed for development work in the interior of China rather than for consumption in the coastal towns. Very little cargo can be sent inland under present conditions, and the extensive development schemes, such as the construction of docks and new railways, which were under way prior to 1937 and which promised important opportunities for Canadian exporters, have necessarily had to be abandoned. Nevertheless, the present outlook is brighter for Canadian products than it has been for some time. In the past the high production cost of Canadian manufactured goods made it difficult to sell them in a highly competitive market such as China where the Dominion enjoys no special tariff privileges, but the outbreak of the European war has changed this situation and, anticipating the interruption or possible cessation of supplies from certain European countries, importers have turned their attention to Canada as an alternative supplier. Since the declaration of war on September 2, many inquiries have been received at the office of the Trade Commissioner for Canadian goods which were hitherto non-competitive, and it is hoped that Canada's share of the import trade of China for 1940 will be much larger than it has been for a long time, despite the fact that limited shipping space and the necessity of conserving certain supplies for Empire needs may render it difficult for Canada to take full advantage of the opportunities offered.

Detailed statistics of China's principal imports from Canada in 1939 and 1938, with figures for total imports in 1939, are shown in the following table:—

Principal Imports from Canada

(All figures are in thousands unless otherwise indicated; where figures are not given, they are either unavailable or negligible. One cubic metre equals roughly 424 feet board measure; one kilogram equals roughly 2·2 pounds; one quintal equals roughly 220 pounds; nine quintals are roughly the equivalent of one short ton; one litre equals roughly 1·76 pint. One gold unit equals: 1938, U.S.\$0·68; 1939, U.S.\$0·75.)

	Imports from Canada		1939		Total
	1938	G.U.	1939	G.U.	Imports
	Cu. M.		Cu. M.		1939
Total imports . . . . .	....	3,427	....	4,291	542,595
Timber of all kinds . . . . .	....	894	....	1,641	13,928
Hardwood logs	2.5	53	3.9	48	2,037
Softwood logs	12.8	188	26.0	417	4,513
Sawn hardwood . . . . .	....	....	....	....	478
Sawn softwood	27.5	603	61.3	882	5,855
Manufactured softwood	1.5	46	7.6	162	412
	Pieces		Pieces		
Railway sleepers . . . . .	....	....	60.8	127	246
Timber n.o.r. . . . .	....	3	....	4	126
Books, maps, paper and wood-pulp . . . . .	....	264	....	263	24,562
Books, music, newspaper, periodicals, etc. . . . .	....	5	....	0.4	3,119
	Quintals		Quintals		
Common printing and newsprint	20.0	193	16.0	172	5,890
Kraft paper	3.4	58	6.8	85	901
Paper n.o.r.	0.2	3	0.06	0.8	924
Wood-pulp . . . . .	....	....	....	....	313
Paperware and all articles made of paper, n.o.r. . . . .	....	3	....	1.4	2,519
Metals and ores . . . . .	....	826	....	1,135	29,427
	Kilos		Kilos		
Aluminium (not including foil)	621	432	1,231	729	1,335
	Quintals		Quintals		
Lead, pigs or bars	17.9	247	17.6	289	286
Aluminium foil	36	36	....	....	105
Zinc	6.3	89	7.7	89	430
	Quintals		Quintals		
Cereals and flour . . . . .	....	712	....	625	90,255
Wheat . . . . .	....	....	9	34	14,816
Cereals, n.o.r.	0.7	8	0.7	6	17,051
Flour of wheat	76.5	704	90.7	577	30,574
Chemicals and pharmaceuticals . . . . .	....	232	....	74	30,680
Sulphate of ammonia	24.3	205	9.3	60	8,859
Medicines, drugs, etc., n.o.r. . . . .	....	3	....	7.6	7,710
Fishery and sea products . . . . .	....	92	....	97	6,748
Salted herring	15.1	77	17	90	160
	Kilos		Kilos		
Cuttle-fish	23.5	11	19	5	342
Machinery and tools . . . . .	....	31	....	16	24,540
Printing, bookbinding, and paper-making machinery and parts . . . . .	....	18	....	10	498
Machinery and parts, n.o.r. . . . .	....	5	....	2.6	8,272
Vehicles and vessels . . . . .	....	18	....	10.7	18,420
	Units		Units		
Motor cars and buses (including chassis)	7	11	8	8	2,862
Motor tractors, trailers and trucks, including chassis	4	6	....	....	8,621
Animal products, canned goods, and groceries . . . . .	....	33	....	38	6,847
	Kilos		Kilos		
Cream and milk, evaporated	44	8.5	32	5.4	192
Milk food	1.2	0.7	0.2	0.3	297
Foodstuffs, canned or in any other packing, n.o.r. . . . .	....	10	....	3	1,789
Confectionery . . . . .	....	4	....	0.7	258
Macaroni, vermicelli, and similar products	20.5	6	2	0.5	44
Animal products and groceries, n.o.r. . . . .	....	3	....	1.8	951
Miscellaneous metal manufactures . . . . .	....	52.5	....	93.8	13,507
Needles, n.o.r.	6.7	0.2	107.7	3	143
Electric wire, insulated . . . . .	....	26	....	38.8	1,626
	Litres		Litres		
Wines, beers, spirits, table-waters, etc. . . . .	....	6.5	....	5.2	2,479
Whisky, in bottles	1.9	3.5	3	4	194
Wines, spirits and beer, n.o.r. . . . .	....	3	....	1	475
Hides, leather and other animal substances . . . . .	....	10	....	28	2,957
Leather, n.o.r., including coloured . . . . .	....	4	....	0.7	678
Skins (furs) . . . . .	....	3	....	26.9	775
	Quintals		Quintals		
Fruits, seeds, and vegetables . . . . .	....	2	....	1	10,955
Fresh apples	0.004	0.1	0.005	0.1	790

Principal Imports from Canada—Concluded

	Imports from Canada				Total Imports
	1938		1939		1939
	Quintals	G.U.	Quintals	G.U.	G.U.
Dyes, pigments, paints and varnishes..	27	....	7	18,186
Oxide of cobalt..	2	....	0.3	58
Sundry..	138	....	137	28,953
	Pieces		Pieces		
Motor-car tires..	4	98	2.3	84.7	1,709
Musical instruments and parts or accessories..	8	....	12	120
Motor-car inner tubes..	3	10	2.4	10	219
Toys and games	3	....	4.3	319
Animals, living..	7	....	6.8	207
Building materials, n.o.r..04	424
Imitation leather and oilcloth, not for flooring..	0.002	....	5.8	347
Sporting requisites n.o.r..	0.1	....	0.06	144
	Pairs		Pairs		
Rubber boots and shoes, inc. soles and heels..	0.03	0.03	269
Rubber manufactures, n.o.r..	1	....	0.8	674
Postal parcels, n.o.r..	2	....	2	3,018
Miscellaneous goods and sundries..	3.5	....	6.3	8,124
Sundry goods carried in passengers' baggage..	0.6	....	....	1,345

CHINA'S EXPORTS TO CANADA

A comparative table showing for the years 1939 and 1938 exports to Canada from China in the nine leading groups is appended. It should be borne in mind, however, that China's total sales to Canada were probably much greater than is indicated by this table, as substantial quantities of China produce and manufactured goods are shipped to Canada via the United States, the United Kingdom, Hongkong, and French Indo-China, and are therefore shown in the Chinese Maritime Customs returns as exports to those countries instead of to Canada. Even after allowing for the depreciated exchange value of the Chinese dollar, the value of exports from China to the Dominion showed a large increase—from U.S.\$771,000 (Chinese \$3.6 million) in 1938 to U.S.\$1.1 million (Chinese \$10.2 million) in 1939. It will be noted that the increase was mainly in exports of walnuts and peanuts, oil, and embroideries.

China's Principal Exports to Canada

	1938		1939	
	Quantity	1,000 Yuan \$	Quantity	1,000 Yuan \$
Total exports to Canada ..	....	3,675	....	10,213
	Quintals		Quintals	
Yarn, thread, pleated and knitted goods ..	....	1,718	....	4,017
Drawn thread work ..	....	258	....	499
Cross-stitch work and embroideries other than silk ..	....	899	....	1,585
	Kilos		Kilos	
Lace and trimmings ..	....	533	....	926
Oils ..	....	186	....	1,451
	Quintals		Quintals	
Peanut oil ..	5.2	178	31.7	1,443
Wood oil ..	0.15	9	....	....
Walnuts ..	....	814	....	1,304
Walnut kernels ..	13.3	814	17.0	1,304
Peanuts ..	17.8	323	92.3	1,893
In shell ..	2.9	46	15.2	245
Shelled ..	14.9	276	77.0	1,640
Textile fibres (silk) ..	....	7	....	13
	Pieces		Pieces	
Hides, leather, skins and furs ..	....	59	....	20
Skins, goat, dressed ..	0.05	0.2	....	....
Skins, hare and rabbit, dressed and undressed ..	....	....	0.45	0.16
Skins, lamb, dressed or undressed ..	2.5	11	0.50	3.75
Skin mats and rugs, goat ..	0.86	3	....	....
Skin mats and rugs, n.o.r..	4.1	25	0.48	2.8

	1938		1939	
	Quantity Quintals	Yuan \$ 1,000	Quantity Quintals	Yuan \$ 1,000
Tea . . . . .	....	54	....	38
Black tea, Congou	0.06	6	0.12	17.5
Black tea, other	0.03	2	0.07	11.5
Green tea, Gunpowder	0.32	32	....	....
Green tea, Young Hyson	0.12	10	0.04	3.7
Woollen carpets and floor rugs	0.25	159	0.36	218
Ores, metals and metallic products, n.o.r. . . . .	....	5	....	17

BRITISH TRADE COMMISSIONERS IN CANADA

Canadian importers and others desirous of obtaining information regarding the export trade of the United Kingdom and Canadian firms desirous of representing British manufacturers in Canada are invited to communicate with the undermentioned:—

The Senior British Trade Commissioner in Canada and Newfoundland, 56 Sparks St., Ottawa. Telegraphic address: "Sencom."

The British Trade Commissioner (for Quebec, the Maritime Provinces and Newfoundland). 1111 Beaver Hall Hill, Montreal, Que. Telegraphic address: "Britcom."

The British Trade Commissioner (for Ontario), 67 Yonge Street, Toronto, Ont. Telegraphic address: "Toroncom."

The British Trade Commissioner (for Alberta and British Columbia), 850 West Hastings Street, Vancouver, B.C. Telegraphic address: "Vancom."

The British Trade Commissioner (for Manitoba, Saskatchewan and Northwest Ontario), 703 Royal Bank Building, Winnipeg, Man. Telegraphic address: "Wincom."

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office at New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to June 1, 1940:—

	Total Quota	Reduction in Duty from the 1930 Tariff Act	Used by Canada to June 1, 1940	
			Quantity	Per Cent
Cattle (700 lbs. or more) . . . Head	225,000	3 to 1½c. per lb.	33,410	14.8
Cattle (less than 200 lbs.) . . Head	100,000	2½ to 1½c. per lb.	57,251	57.2
Whole milkGals.	3,000,000	6½ to 3¼c. per gal.	2,771	....
CreamGals.	1,500,000	56¼ to 28¾c. per gal.	262	....
Filleted fish, fresh or frozen—cod, haddock, hake, pollock, cusk, and rosefishLbs.	15,000,000	2½ to 1½c. per lb.	4,250,468	28.3
Seed potatoesBus.	1,500,000 beginning Sept. 15, 1939	75 to 37½c. (60c. Dec. 1-23) per 100 lbs.	1,216,725	81.1
White or Irish potatoes, other than seed potatoesBus.	1,000,000 beginning Sept. 15, 1939	75 to 60c. per 100 lbs. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30	507,285	50.7
Silver or black fox furs . . .Units	100,000 beginning Dec. 1, 1939	50 to 35 per cent ad val.	58,300	Quota filled Mar. 5, 1940

Since the beginning of the second quarter of 1940 Canada has shipped 13,705 head of cattle weighing 700 pounds or more, other than dairy cows, to the United States or 26.6 per cent of the quarterly allotment of 51,720 head. The quota allotment of 8,280 head from countries other than Canada for the second quarter of this year has been filled and receipts over and above this amount are subject to the full tariff rate.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

ADDRESSES OF IMPORT LICENSING AUTHORITIES

With reference to the article in *Commercial Intelligence Journal* No. 1900 (June 29, 1940), pages 1036-1041, concerning the present United Kingdom import licensing system, Appendix V of Notice No. 76 of June 5, 1940, gives the names of the authorities to whom applications for import licences should be made (in duplicate) as follows:—

Bacon and ham.	The Ministry of Food (Bacon and Ham Branch), Neville House, Page Street, London, S.W.1.
Butter, cheese, eggs and egg products.	The Ministry of Food (Butter and Cheese or Eggs Division, as the case may be), Thames House, Millbank, London, S.W.1.
Cereals.	The Ministry of Food (Cereals Control Board), 10 Smith Square, London, S.W.1.
Sugar and starch.	The Ministry of Food (Sugar and Starch Branch), 41 Tothill Street, London, S.W.1.
Other foodstuffs.	The Ministry of Food, Great Westminster House, Horseferry Road, London, S.W.1.
Aluminium and alloys thereof. Aluminium scrap. Aluminium powder and paste.	The Aluminium Control, Raven Hotel, Castle Street, Shrewsbury.
Natural or artificial magnesium carbonates, hydroxides and oxides, and dolomite and mixtures. Chromium ores and concentrates. Wolfram.	The Chrome Ore, Magnesite and Wolfram Control, Broadway Court, Broadway, Westminster, S.W.1.
Raw cotton. Cotton linters. Waste wholly or mainly of cotton.	The Cotton Control, Blackfriars House, Parsonage, Manchester, 3.
Organic fertilizers.	The Fertiliser Control, 19 Berkeley Square, Bristol, 8.
Flax, including tow or codilla.	The Flax Control, Washington Hotel, City Road, Chester.
Iron and steel as defined under the heads following:	The Iron and Steel Control, Steel House, Tothill Street, Westminster, S.W.1.
1. Iron and steel scrap.	
2. The following non-ferrous metalliferous ores and scrap:— Molybdenum ores, concentrates and residues; niobium (columbium) ores; tantalum ores; tungsten ores, concentrates and residues; vanadium ores, concentrates and residues.	
3. The following non-ferrous metals and manufactures thereof:— Cemented carbide metal; molybdenum metal; niobium (columbium) metal; tantalum metal; tungsten metal; vanadium metal.	
4. Chemical manufactures and products:— Calcium silicide; molybdenum compounds; tantalum compounds; titanium carbide; tungsten compounds; vanadium compounds.	
5. Ferro alloys.	
6. Silicon and silicon alloys.	
7. Iron and steel and alloys including:— Pig iron; ingots; blooms, billets and slabs; castings, forgings, pressings and stampings; girders, beams, joists and pillars, whether fabricated or not; angles, shapes and sections, whether fabricated or not; colliery arches and pit props; bars and rods; plates and sheets; hoop and strip; railway and tramway rails; wire (including barbed wire), and wire cable and rope; upholstery and mattress wire springs; screws for wood, whether coated or plated or not.	

S. Iron and steel products:—

Railway and tramway construction material: sleepers, tie rods, tie bars, fish plates, sole plates and continuous joint plates; railway and tramway rolling stock: wheels, tires, axles and buffers, whether assembled or not; tubes, pipes and tube and pipe fittings; wire netting, wire fencing and wire mesh; nails, tacks and staples, hobnails, studs and spikes; rivets and washers, bolts and nuts, bolt ends, coach screws, set screws, screw studs and other screws for metal.

Iron ore, concentrates and residues.
Manganese ore, concentrates and residues.

Director of Foreign Ores, Iron and Steel Control,
24 Old Broad Street, London, E.C.2.

Hides and skins, undressed (except sheep and lamb skins, woolled).
Leather, dressed and undressed.
Tanning substances and extracts.

Leather Control, 8, St. Thomas Street, London, S.E.1.

Molasses.
Industrial alcohol containing methylated spirit.

Molasses and Industrial Alcohol Control, Great Burgh, Epsom, Surrey.

Acetone.
Acetic acid.
Ethyl alcohol.
Methylated spirits.
Ethyl acetate.
Butyl acetate.
Amyl acetate.
Fusel oil.
Butyl alcohol.

Non-ferrous metals and alloys:
Copper and alloys thereof.
Lead and alloys thereof.
Zinc or spelter and alloys thereof.
Scrap and old metal.
Metallic residues and wastes.

The Non-ferrous Metals Control, Grand Hotel,
46, Albert Street, Rugby.

Paper, and board made from paper or pulp.
Manufactures of paper, paper boards or pulp.
Round wood logs for paper making.
Pulp.
Esparto.
Strawboard lined or unlined.
Cotton rags.
Other paper-making materials.

Paper Control, Great Western Hotel, Reading.

Silk: raw, cocoons, waste and noils.

Silk & Rayon Control, Union Street Mill, Macclesfield.

Sulphur ore.
Pyrites of all kinds.

Sulphur & Pyrites Control, Shipping & Distribution Dept., London House, 35 Crutched Friars, London, E.C.3.

Wood and timber, hewn, sawn, planed, dressed, etc. (except round wood logs for paper making).
Pitwood, pitprops and mining timber.
Builders' woodwork.
Boxboards and staves.
Boxes, barrels, casks and packing cases.
Plywood, laminboard, blockboard and batten board.
Veneers.

Timber Control, Clifton Down Hotel, Bristol, S.

Wool, raw.
Wool tops and noils.
Wool waste.
Sheep and lamb skins, woolled undressed.

The Wool Control, Bradford.

- Synthetic organic dyestuffs (including pigment dyestuffs), whether soluble or insoluble. Compounds, preparations and articles manufactured from any such dyestuffs, except any such compounds, preparations and articles as are not suitable for use in dyeing; and organic intermediate products used in the manufacture of any such dyestuffs. Dyestuffs Control, 42, King Street West, Deansgate, Manchester, 3.
- Silver bullion and foreign silver coins. Bank of England, Threadneedle Street, E.C.3.
- Other goods requiring separate licences under the Order of June 5, 1940. The Import Licensing Department, 25 Southampton Buildings, Chancery Lane, London, W.C.2.

Australia

FOURTH LICENSING PERIOD TO BE FOR THREE MONTHS (JULY-SEPTEMBER)

With reference to the article in *Commercial Intelligence Journal* No. 1888 (April 6, 1940), page 528, respecting the Australian import licensing system for imports from non-sterling countries established on December 1, 1939, Mr. L. M. Cosgrave, Canadian Trade Commissioner at Sydney, cables that the fourth licensing period will be for three months, July 1 to September 30, 1940.

The first licensing period was for the two months, December, 1939, and January, 1940; the second for February and March, 1940; and the third for April, May and June.

For the first two periods, of two months each, licences were issued for the importation from non-sterling countries of goods in the permitted categories (A, B, and C) up to one-sixth of the value of the same goods imported by the same importers from non-sterling countries during the year ended June 30, 1939. In the third period, of three months, the proportion was fixed at one-quarter, but reductions were made in the amounts of some articles permitted to be imported, and some other articles formerly admitted under licence were transferred to category D ("no licence" goods).

For the three-months' period, July 1 to September 30, new quota restrictions will be in effect in addition to those published in *Commercial Intelligence Journal* No. 1877 (January 20, 1940), page 105, and No. 1888 (April 6, 1940), page 529. The following lists, transmitted by telegraph and subject to revision, are supplied by the Australian Customs Representative in New York:—

ADDED TO "NO LICENCE" CATEGORY

Liqueurs; perfumed spirits; spirituous essences, extracts, fruit ethers aromas and flavours, limejuice and other fruit juices and syrups; unenumerated non-medicinal spirituous preparations; amyl acetate, methyl salicylate, vanillin, coumarin; flavouring esters and aldehydes not compounded; unenumerated oilmen's stores, groceries, soap dyes and condition foods; food for birds (except seed); goods "unspecified" in the tariff put up for household use or retail sale; furs dressed or prepared for making up; gloves (not previously prohibited); floor coverings wholly of cotton; table covers, doilies, tray cloths, sheets, pillow cases, pillow covers, counterpanes, tablecloths, runners, cosies, cushions; quilts, printed cotton bedspreads; water bore casings; multiple purpose radio valves; carbon brushes (electrical); metal eyelets and eyelet hooks; metal wrist bands for watches; sash balances; night latches; locks; lip-stick shells; metal pins not in fancy boxes; glass cutters; paint scrapers; grease guns; sheet and plate glass of specified descriptions; bottles, flasks, jars, vials, tubes, of glass or earthenware, not enumerated in the tariff; articles for outdoor and indoor games and specified parts therefor; unset precious stones and pearls; home kinematographs; rubber football bladders, bandages, elastic stockings, anklets, wristlets, athletic straps; rubber soles, pads, heels, cash mats, tire fabric, tube repair outfits; infants' soothers and valves for bottles; flexible coupling discs imported separately; unenumerated stationery, Christmas and other pictorial cards; paper serviettes and doilies; household utensils of celluloid, caseine, synthetic resin, bone, ivory, papier mache, indurated fibre or asbestos; toilet sprays; shaving brushes; unenumerated fireworks; cigar and cigarette tubes, holders and cases, tobacco boxes and pouches, smoking requisites, ash trays, lighters; surgical catgut.

RESTRICTED BY 75 PER CENT

Undressed fur skins.

RESTRICTED BY 50 PER CENT

Tapestries of cotton, linen, artificial silk, or wool; velvets, velveteens, plushes, astrachans, sealettes; lace for attire, lace flouncings; millinery and dress nets, veilings, embroideries in the piece; moquettes for upholstery; trimmings and ornaments for hats, shoes, and other attire; unenumerated braids, fringes, webbings; beltings for apparel, not cut to length; towels (except crash, huckaback, glass, kitchen and tea, or paper towels); cotton bath mats; leaf and foil (except gold); portable typewriters; weighing machines, scales and balances; bolts, nuts, rivets, metal washers, screws for nuts, engineers' set screws; pharmaceutical preparations, patent and proprietary medicines, medicinal preparations (except insulin), extracts (except liver extracts), essences, salves, liniments, compounded medicinal oils, medicines for animals; synthetic perfumes for manufacturing purposes; unenumerated articles of wood, window sashes and frames, window screens, wooden rakes, hods, mallets, wood split pulleys, bungs; pocket watches; machine belting; unenumerated manufactures of paper and board; articles (except household utensils) of celluloid, caseine, synthetic resin, bone, ivory, papier mache, indurated fibre or asbestos; plastic moulding materials; synthetic resins.

RESTRICTED BY 25 PER CENT

Galloons, ribbons; crude asbestos; chinaware, porcelainware, earthenware, brownware and stoneware, not separately described in the tariff; porous insulating blocks.

MARKING OF PORCELAIN INSULATORS

With reference to the announcement in *Commercial Intelligence Journal* No. 1869 (November 25, 1939), page 997, respecting the marking of porcelain insulators imported into Australia, it has now been ruled that porcelain insulators imported for replacement purposes in imported electrical apparatus or appliances must be marked upon importation into Australia with the name of the country of origin.

Ireland

IMPORT QUOTAS ON LADIES' HATS AND ON METAL SCREWS

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that by two Orders of the Government of Eire of May 28, 1940, further quotas and quota periods have been fixed for importation into Eire for the following items:—

Ladies' felt hats, under 12s. 9d., for the period July 1, 1940, to December 31, 1940, 80,000 articles as against a similar amount for the previous six months.

Metal screws with slotted heads and tapered threads for use in wood, for the period July 1, 1940, to December 31, 1940, 110,000 gross, being the same quota for the previous six months. Of this amount 108,000 gross is allotted to Great Britain and Canada and the remaining 2,000 gross to other countries.

Jamaica

TARIFF PREFERENCE ON SHIPMENTS FROM WEST COAST OF CANADA

An arrangement has been made whereby goods from the west coast of Canada, otherwise qualifying for the British preferential tariff in Jamaica, will be accorded this preference even if transhipped in the United States or the Canal Zones. Under normal conditions all Canadian goods require to be shipped direct from a Canadian port without transshipment at a foreign port in order to qualify for the preferential tariff of Jamaica. The present concessions respecting shipments from the west coast of Canada is to be terminated as soon as adequate British tonnage is available.

PACKAGE TAX ON MOSAIC TILES

With reference to the notice in *Commercial Intelligence Journal* No. 1868 (November 18, 1939), page 945, which states that the Jamaica Package Tax on bricks, tiles and slates not exceeding 1 square foot each is 5 shillings per

1000, the Collector General of Jamaica has issued a decision that a tax of 2 shillings per package may be collected on "mosaic" tiles in sizes ranging up to 1½ inch square.

Trinidad

ISSUE OF IMPORT LICENCES TO BUYERS

A notice in the *Trinidad Royal Gazette* of June 6, 1940, informed importers that any orders for goods placed with agents must be signed both by the buyer and the agent, and submitted to the Control Board by the buyer. Certified orders will be returned only to the buyer. Import licences will be issued to an agent only in cases where he carries stocks for conducting business as trader apart from his business as an agent.

St. Vincent

CERTIFICATE OF ORIGIN FOR COTTON AND ARTIFICIAL SILK

Following suspension on February 20, 1940, of quotas which had been in force for a number of years on the importation into St. Vincent, British West Indies, of piece-goods containing 50 per cent or more of cotton or of artificial silk or of cotton and artificial silk combined, a certificate of origin was prescribed to be used for shipment of these textiles from the United Kingdom and Hongkong.

The Colonial Treasurer of St. Vincent now advises that the certificate of origin prescribed for the United Kingdom should accompany shipments of cotton and artificial silk piece-goods consigned to St. Vincent from Canada. The form of this certificate of origin is available on application to the Department of Trade and Commerce, Ottawa.

India-Burma

TRADE REGULATION ORDER

The Canadian Trade Commissioner at Bombay reports that a notice published in the local journal *Commerce* states that on April 1, 1940, the Government of India gave one year's notice to the Government of Burma for the termination of the Trade Regulation Order existing between India and Burma since separation of the two countries on April 1, 1937.

This order, which maintained the status quo as to freedom of trade between the two countries for a period of three years from the date of separation and provided that the Indian tariff in force at the time would continue, is now due to expire on March 31, 1941.

Burma

IMPORT RESTRICTIONS AND PROHIBITIONS

The Canadian Trade Commissioner in Bombay, India, reports that Burma has adopted licensing control of imports resembling that adopted in India, regarding which information was published in *Commercial Intelligence Journal* No. 1896 (June 1, 1940), page 874, and No. 1899 (June 22, 1940), page 993.

The new regulations became effective on June 16.

India is exempted from all import restrictions and prohibitions. The rest of the Empire (except Hongkong) is subjected only to quota licensing on the following goods: biscuits, cakes and farinaceous and patent foods, canned or

bottled; vegetable products, jams, jellies, pickles, chutneys, sauces and condiments, canned or bottled; chemicals, drugs and medicines, all sorts not otherwise specified; rubber tires and tubes and other manufactures of rubber, not otherwise specified, excluding apparel and boots and shoes; stationery including drawing and copy books, labels, advertising circulars, sheet or card almanacs and calendars, Christmas, Easter and other cards, including cards in booklet forms, also waste paper but excluding paper and stationery otherwise specified; motor cars including taxicabs and articles adapted for use as parts and accessories thereof.

Goods subject to quota licensing when imported from countries outside the British Empire or from Hongkong embrace 37 items of the Burma tariff. Besides the articles already mentioned, the list includes: fruits, fresh and preserved; fruits and vegetables, canned or bottled; ale and beer; toilet requisites; coal and coke; paints and colours; lead pencils; silk fabrics; oilcloth and floor cloth; boots and shoes; enamelled ironware; hardware and tools; incandescent mantles; cutlery; carriages and carts; bicycles; clocks and watches; toys and games.

As regards Hongkong and countries outside the British Empire, a list of prohibited imports has been announced affecting 34 items of the tariff. This list includes: confectionery; unspecified canned or bottled provisions; unspecified provisions and groceries; lubricating oil; soap, including toilet soap; leather cloth and unspecified manufactures of leather; apparel, hosiery and drapery; silver manufactures; smokers' requisites, excluding tobacco and matches; unspecified tobacco manufactures.

Straits Settlements

REVISION OF IMPORT CONTROL ORDERS

With reference to the article in *Commercial Intelligence Journal* No. 1870 (December 2, 1939), page 1057, the "Straits Settlements Government Gazette" of May 1, 1940, contains Notification No. 1576, rescinding the import control measures adopted by Gazette Notification of November 17, 1939. New import control orders, consolidating the former measures and amendments thereto, are brought into effect by Notifications Nos. 1577 and 1578.

The Restricted Imports Order, 1940 (Notification No. 1577), lists goods under 92 items which may not be imported except under licence from Canada, Newfoundland, Hongkong, and any place not forming part of the British Empire. Additional goods subject to licence include: Chewing gum; steel angles, tees, etc.; cotton and artificial silk piece-goods; underwear of cotton and artificial silk.

The Prohibited Imports Order, 1940 (Notification No. 1578) lists goods under 238 items which may not be imported from the same areas, subject to any general or special exemption granted by the Controller of Restricted Imports. Additions to the schedule include: Safety razor holders and blades (formerly restricted); and tractors.

Portugal

IMPORTS OF LUXURY GOODS PROHIBITED

Mr. A. B. Muddiman, Canadian Trade Commissioner, writes that a Portuguese decree of June 13 prohibits the importation into Portugal from June 28 to December 31, 1940, of goods covered by about 125 items of the Portuguese tariff. Among the goods affected are most kinds of fabrics and made-up wares of wool, silk, cotton, linen and felt, buttons, motor cars, motorcycles, leather gloves, furs, jewellery, hats and caps, leather footwear, leather handbags

and purses, perfumery and soap. Exception from this prohibition is made for merchandise necessary for the manufacture of Madeira and Azores lace. Merchandise destined exclusively for industrial purposes or for the State services may be imported if the previous authority of the Minister of Commerce and Industry has been obtained.

EXCHANGE CONTROL IN ECUADOR

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

Lima, June 13, 1940.—Ecuador re-instituted exchange control by decree law issued June 4, 1940. Several factors are given as reasons for the re-introduction of control, among which may be mentioned an economic crisis brought about by the heavy reduction in Ecuadorean exports, the fall in prices for Ecuadorean products, higher freight rates, and the excessive increase in importations during the latter months of 1939 and the first few months of the present year. As a result, the rate of exchange rose to a level considered to be incompatible with the state of national economy.

An analysis of the law as issued and its salient features are:—

1. The Central Bank of Ecuador is the only entity permitted to negotiate exchange.

2. The Central Bank is to carry its gold holdings at 16.69 sucres per troy ounce, which conforms with the quotation of 15 sucres to the United States dollar. The excess value of the gold is to be carried in a Monetary Stabilization Fund, which is not to be taken advantage of or disposed of by the Government.

3. The Central Bank is to begin its operations at the selling rate of 18 sucres and the buying rate of 17.90 sucres to the United States dollar. Other foreign currencies are to be negotiated in the same proportion in conformity with New York quotations. Provision is made for future alteration of this rate.

4. Exporters are obliged to turn over to the Central Bank the entire proceeds of their exports, exception being made for the amounts necessary for payment of export duties, freights, and commissions abroad.

5. Customs houses can only authorize exportations with the permission of the Central Bank, which is only to grant such permission when the exporter has turned over to it the entire amount of exchange arising from the said exportation.

6. Similarly, the Customs can only deliver goods to importers when such goods have been paid for through the Central Bank. Goods actually in transit and for which payment has already been made are excepted.

7. The Central Bank is to attend to existing collections with 60 per cent of the drafts and gold which it purchases; the remaining 40 per cent is allotted for payment for new importations and other exchange requirements.

The Central Bank is authorized, if it deems it convenient, to utilize part of the Stabilization Fund for this object and in the same form, provided that the net reserve fund of the bank does not fall below 35 per cent.

The percentages indicated in the first paragraph of this article can be modified by the Central Bank in agreement with the government authority and according to the requirements of the market.

In addition to the foregoing, certain penalties are to be exacted for infractions of the law, and the Central Bank has been instructed to draw up the necessary regulations for putting the law into effect.

General opinion is that foreign exchange payments will be considerably slowed up. In view of the foregoing, Canadian exporters are urged to exercise caution in shipping to Ecuador and at least to require payment on a cash-against-documents basis.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JULY 2, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for the principal exchanges for the week ending Tuesday, July 2, 1940, and for the week ending Monday, June 24, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending June 24	Nominal Quotations in Montreal Week ending July 2	Official Bank Rate
Finland	Markka	.0252	\$.0223	\$.0220	4
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0074	.0074	6
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial		.1952	.1952	—
Yugoslavia	Dinar	.0176	.0249	.0249	5
Portugal	Escudo	.0442	.0404	.0419	4-4½
Roumania	Leu	.0060	.....	.....	3½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2643	.2645	3
Switzerland	Franc	.1930	.2505	.2512	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2192	.2192	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.....	.....	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.....	.....	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2420	.2342	—
Brazil	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0558	.0557	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6357	.6357	4
Peru	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4151	.4070	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0655	.0668	—
Hongkong . . . . .	\$	.....	.2552	.2609	—
India	Rupee	.3650	.3342	.3359	3
Japan	Yen	.4985	.2601	.2601	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.....	.....	—
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5760	3.5760	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds remained unchanged at \$443-\$447 and \$1.10-\$1.11 during the five-day period ended June 29. At New York sterling free market rates advanced sharply from \$3.70 on the 24th to \$4 on the 27th, following reports of imminent abolition of the free rate, coupled with peace rumours. Subsequently, however, quotations declined almost as rapidly to \$3.80 on the 29th. Canadian dollar rates at New York paralleled sterling, quotations moving between 80½ cents and 85½ cents and finally closing up 2½ cents at 83½ cents. At Montreal further weakness was noted for the Argentine peso (free rate), which dropped 33 points to 23.87 cents, while other foreign units were comparatively steady.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa. or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Jams.....	466	Alexandria, Egypt.....	Agency.
Vegetables and Fruits (Canned).	467-8	Alexandria, Egypt.....	Agency.
Vegetables and Fruits (Canned).	469-70	Baghdad, Iraq.....	Purchase and Agency.
Dried Apples.....	471	Tel-Aviv, Palestine.....	Purchase.
Cheese.....	472	Caracas, Venezuela.....	Agency.
Milk Powder.....	473	Panama City, Panama....	Purchase and Agency.
Miscellaneous—			
Milk Bottle Discs.....	474	Wells, Somerset, England..	Purchase.
White Sulphite Paper for Bread Wrapping.....	475	Bridgetown, Barbados....	Purchase and Agency.
Paper.....	476	Cairo, Egypt.....	Purchase.
Polo Shirts.....	477	Panama City, Panama....	Agency.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: W. J. RIDDIFORD, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL

Vol. LXIII

Ottawa, July 13, 1940

No. 1902



Four-flat Block at Dundee, Scotland, with Walls of Canadian
Western Red Cedar

ISSUED BY AUTHORITY OF
THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE
J. G. PARMELEE, DEPUTY MINISTER



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Vol. LXIII

Ottawa, July 13, 1940

No. 1902

TRADE COMMISSIONERS ON TOUR

Mr. C. S. Bissett, Canadian Trade Commissioner at Havana, Cuba (whose territory includes Haiti, the Dominican Republic, and Puerto Rico), Mr. M. B. Palmer, Canadian Trade Commissioner at Port of Spain, Trinidad (whose territory includes Barbados, Windward and Leeward Islands, and British Guiana), and Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, Jamaica (whose territory includes the Bahamas and British Honduras), are on tour in the Dominion in the interest of Canadian trade with their territories. Following are their itineraries:—

Mr. Bissett

Quebec July 15
Campbellton July 16
Charlottetown July 18
Halifax July 20 to 23
Lunenburg July 24
Fredericton, East Flor-
enceville, Grand Falls
and Perth July 26 and 27
Saint John July 29
Grand Manan July 30

Black's Harbour July 31
Toronto and district Aug. 6 to 17
Guelph Aug. 19
Kitchener and district Aug. 20
Galt and Brantford Aug. 21
Hamilton and St. Cath-
arines Aug. 22
London and district Aug. 23
Walkerville Aug. 24

Mr. Palmer

Hamilton July 15 and 16
St. Catharines, Niagara
Falls and Welland July 17
Brantford July 18
Guelph July 19
Kitchener July 20

Stratford, Woodstock and
Ingersoll July 22
London July 23
Chatham and district July 24
Walkerville July 25

Mr. Fraser

Hamilton and district July 15 and 16
Galt and district July 17
Kitchener and district July 18 and 19
Guelph and district July 20
Port Hope, Cobourg and
Peterborough July 22
Belleville and district July 23

Kingston, Gananoque and
Brockville July 24
Ottawa July 25 and 26
Montreal July 29 to Aug. 17
Granby and district Aug. 19
Sherbrooke and district Aug. 20 and 21
Quebec Aug. 22 and 23

Canadian firms who wish to be brought in touch with the Trade Commissioners should communicate, for Montreal, with the Montreal Board of Trade; for Toronto, with the office of the Canadian Manufacturers Association; and for other centres, with the respective Board of Trade or Chamber of Commerce.

SUMMARY OF THE TRADE OF CANADA: MONTH, FIVE MONTHS, AND TWELVE MONTHS ENDING MAY, 1940

(EXCLUDING GOLD)

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of May, 1940				Five Months ending May, 1940				Twelve Months ending May, 1940			
	Total Imports	From United Kingdom	From United States		Total Imports	From United Kingdom	From United States		Total Imports	From United Kingdom	From United States	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Imports for Consumption</i>												
Agricultural and Vegetable Products.....	17,698,043	1,257,063	5,341,862	61,250,001	3,960,038	22,560,952	144,175,357	11,577,471	50,768,289			
Animals and Animal Products.....	2,790,279	361,848	1,469,366	17,862,801	1,723,491	12,371,098	40,976,748	4,321,467	23,600,129			
Fibres, Textiles and Textile Products.....	13,913,417	5,897,584	5,002,534	74,039,375	26,523,764	33,661,462	136,951,270	49,844,767	62,304,613			
Wood, Wood Products and Paper.....	3,386,314	270,626	2,885,771	15,950,711	1,084,511	14,068,377	36,832,787	2,888,409	31,921,914			
Iron and its Products.....	27,041,354	2,830,250	23,028,250	106,585,236	8,742,086	95,959,428	227,346,389	21,291,842	200,137,803			
Non-Ferrous Metals and their Products.....	5,293,883	717,987	3,613,889	22,272,142	2,573,745	16,181,538	50,605,530	5,346,000	35,757,042			
Non-Metallic Minerals and their Products.....	16,448,254	1,656,458	12,405,959	51,092,534	4,368,478	40,435,306	142,930,028	12,459,980	113,735,433			
Chemicals and Allied Products.....	4,880,649	749,973	3,794,706	20,035,037	3,216,508	14,943,626	50,097,069	8,050,321	36,675,980			
Miscellaneous Commodities.....	9,084,644	3,310,917	5,353,371	34,308,113	9,221,629	23,621,148	69,166,389	14,560,720	50,061,410			
Total Imports, 1940.....	100,536,837	17,052,402	63,895,708	405,395,950	61,414,250	273,803,935	899,081,567	130,341,580	605,022,612			
1939.....	72,937,808	12,941,937	43,146,730	257,369,917	45,080,079	165,679,789	657,075,734	114,103,805	412,109,535			
1938.....	67,123,637	11,930,350	40,519,975	277,745,537	50,288,704	178,300,821	781,494,857	141,435,777	476,633,170			
<i>Exports (Canadian Produce)</i>												
Agricultural and Vegetable Products.....	31,044,893	16,228,443	12,128,139	98,835,224	63,335,253	20,499,801	260,425,388	126,053,686	90,857,791			
Animals and Animal Products.....	11,998,261	6,981,209	4,144,439	64,829,983	41,684,805	17,876,680	145,110,741	88,489,852	43,128,668			
Fibres, Textiles and Textile Products.....	2,004,413	806,580	167,088	8,144,507	2,580,149	630,318	17,181,993	4,314,480	2,512,768			
Wood, Wood Products and Paper.....	28,545,356	5,000,488	17,999,120	114,697,198	20,295,199	73,114,052	274,119,150	50,441,153	180,867,733			
Iron and its Products.....	11,017,813	6,492,920	635,556	32,340,656	13,812,701	1,934,603	68,692,602	23,089,418	5,143,909			
Non-Ferrous Metals and their Products.....	15,754,340	8,058,446	4,677,560	81,808,344	41,600,076	22,334,128	188,008,880	88,313,250	54,450,615			
Non-Metallic Minerals and their Products.....	2,855,242	625,550	1,527,019	12,508,590	2,055,823	6,900,086	33,861,288	4,792,252	18,292,341			
Chemicals and Allied Products.....	3,175,322	900,547	1,385,471	14,017,245	3,792,946	5,913,116	27,633,250	6,923,169	10,565,706			
Miscellaneous Commodities.....	3,457,069	1,828,134	812,284	10,134,444	4,839,035	3,298,828	20,041,912	7,230,967	8,370,828			
Totals, 1940.....	109,852,709	46,922,317	43,476,476	437,316,191	194,077,027	152,501,612	1,035,075,213	399,688,227	414,130,389			
1939.....	79,931,809	31,126,408	28,143,317	327,167,082	122,488,042	118,763,270	843,645,394	326,845,190	291,264,700			
1938.....	66,998,151	27,889,138	20,440,802	321,106,805	135,331,537	97,969,759	946,757,784	399,366,372	311,496,934			
<i>Exports (Foreign Produce)</i>												
Totals, 1940.....	910,938	47,463	780,788	4,773,182	158,764	4,305,488	12,039,331	620,819	10,572,374			
1939.....	842,319	94,908	674,156	3,729,460	325,138	3,094,635	10,322,636	1,333,693	8,027,461			
1938.....	922,800	257,355	556,259	4,567,040	725,133	3,363,941	12,682,965	1,424,371	10,151,518			
<i>Excess of Imports (i) or all Exports (e)</i>												
Totals, 1940.....	(e) 10,226,810	(e) 29,917,378	(i) 19,638,423	(e) 36,693,423	(e) 132,821,541	(i) 116,996,835	(e) 148,032,977	(e) 269,967,466	(i) 180,319,849			
1939.....	(e) 7,516,320	(e) 18,279,379	(i) 14,339,257	(e) 73,526,625	(e) 77,733,101	(i) 48,924,581	(e) 196,892,296	(e) 214,077,080	(i) 112,817,374			
1938.....	(e) 797,914	(e) 10,210,143	(i) 19,522,914	(e) 47,867,108	(e) 85,783,968	(i) 76,977,121	(e) 177,948,892	(e) 269,356,566	(i) 154,984,718			

OVERSEAS TRADE OF THE UNITED KINGDOM IN MAY

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, June 20, 1940.—The invasion of the Low Countries caused a check in the recovery which has taken place in recent months in the external trade of the United Kingdom. In spite of this the results are favourable when compared with a year ago.

The returns of overseas trade for the month of May show that, while imports were less than in April, they were considerably higher than in the corresponding period of last year. Similarly, exports of British goods, although below the record total for April, were the second highest since the beginning of the war and had not been exceeded since October, 1937.

IMPORTS

Total imports during May, 1940, were valued at £105,552,962 or 34·4 per cent higher than in May, 1939.

FOOD, DRINK AND TOBACCO

Receipts of food, drink and tobacco (£39,769,384) rose by 18 per cent. The most important increase registered in this section was one of 116 per cent in grain and flour (£9,676,046). Meat (£8,140,648) showed a slight advance of 5 per cent and fresh fruit and vegetables (£4,730,493), an increase of 1 per cent, but dairy produce (£4,926,228) declined by 25 per cent.

RAW MATERIALS

The growth in raw material imports continues, the May value (£35,882,653) being 57 per cent greater than in the same month last year. Landings of raw cotton (£5,099,015) and of oil seeds and nuts (£7,571,535) were more than double those of May, 1939, while imports of non-ferrous metalliferous ores and scrap (£2,565,823) increased by 73 per cent, those of raw wool (£7,795,877) by 56 per cent and those of hides and skins (£1,679,976) by 22 per cent. Offsetting these advances purchases from abroad of paper-making materials (£554,483) were cut by nearly two-thirds, while imports of wood and timber (£2,898,513) decreased by 3 per cent.

MANUFACTURED GOODS

Imports of manufactured goods went up by 36 per cent. The most noteworthy development occurred in entries of oils and fats which at £8,191,530 represented more than twice as much as in May, 1939. Increases were fairly general throughout the list, iron and steel imports (£1,888,749) rising by 33 per cent; non-ferrous metals (£4,826,700) by 37 per cent; machinery (£2,840,500) by 31 per cent; chemicals (£1,906,674) by 12 per cent; and leather (£1,133,003) by 44 per cent. There was, however, an important reduction in purchases of paper, cardboard, etc. (£1,011,788) which fell by 23 per cent.

EXPORTS

Total exports of British goods were valued at £45,499,645 as compared with £42,273,350 in the same month last year, an expansion of 7·6 per cent. Exports of food, drink and tobacco (£3,482,263) increased in value by 9 per cent. Shipments abroad of raw materials (£4,626,107) fell by 14 per cent. In this category coal (£3,423,585) dropped by 11 per cent. Among fully manufactured goods the general situation was satisfactory, the only important loss occurring in machinery, which at £3,786,890 showed a reduction of 22 per cent.

Exports of cotton manufactures (£4,708,113) showed a gain of 8 per cent; woollen manufactures (£2,709,026) rose 29 per cent; silk and artificial silk manufactures (£865,402) gained 82 per cent; chemicals (£3,077,219) had an increase of 29 per cent; and vehicles, ships and aircraft (£3,164,866) one of 23 per cent.

BALANCE OF TRADE

The adverse balance of trade on merchandise account for the month was £56,839,404. This was a slight improvement upon the average for recent months.

UNITED KINGDOM FOOD IMPORT POLICY

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, June 21, 1940.—The policy and operations of the United Kingdom Ministry of Food are of concern to Canadian producers. In a statement made to Parliament on June 19 the Minister of Food explained that the primary object of the Ministry is to ensure for the United Kingdom a sufficiency of food either from overseas or through home production. They are secondly concerned with ensuring that food supplies should be suitable to meet the physical and mental strains to which the public will be subjected. The Ministry must also arrange equitable distribution where demand approximates supply; and control prices so that all sections of the community can pay for their requirements. The Minister disclosed that his Department has become an enormous business enterprise, that it has a turnover of £600,000,000 a year and a staff of 23,000 people divided into 17 main divisions and 15,000 subdivisions.

Full co-operation is maintained with the food trades of the country. Broadly speaking the control is operated through the normal channels of business, although adaptations and adjustments have been introduced which, it is hoped, will leave the trades unharmed and improved when the war is over. While the personnel of the Ministry is partly composed of leaders in the various branches of the food trade, the Minister, in reply to recent criticisms, said he would not tolerate a position in which they determined the margins on which their own trades should operate.

The Ministry is the sole importer of 85 to 90 per cent of the food supplies that come to the United Kingdom, including products of interest to Canada such as bacon, cheese, butter, eggs, milk, lard, and all meats. Imports have been cut by 12 per cent, but imports of calories were down only by 1 per cent, which indicated that the question of food values has been taken into account.

Rationing has only been resorted to where supplies are short or vulnerable. The rationing of sugar is an absolute necessity, while the rationing of meat is a precautionary measure. The system is easily capable of expansion, and the Ministry can readily organize the rationing of half a dozen more commodities at very short notice if it is necessary to do so.

With regard to prices of milk, bread (flour), meat and bacon, the Ministry have obtained assistance from the Treasury in keeping prices down. The average increase in food prices has been only 8 per cent; without the subsidy prices would have increased by 30 per cent. In the case of certain other foods such as currants, sultanas, potatoes and butter, the increase in price had been 19 per cent. Uncontrolled foods have risen by about 40 per cent. The Ministry is endeavouring to apply the £60,000,000 a year which the Treasury is spending on subsidizing foods in such a manner that the benefits accrue to the people needing it most.

REGULATIONS GOVERNING PAYMENTS FOR UNITED KINGDOM EXPORTS

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, June 10, 1940.—A report was published in *Commercial Intelligence Journal* No. 1888 (April 6, 1940), page 505, dealing with the regulations governing payments for exports from the United Kingdom and certain other Empire countries. These measures, which in brief required payment for exports of jute, rubber, tin, whisky, fur, and diamonds to certain countries to be obtained in certain specified foreign currencies (or in sterling obtained from the Exchange Control against those currencies), have now been revoked in the case of exports to countries other than the United States and Switzerland.

Under the new regulations which came into effect on June 9, all exports from the United Kingdom to the United States and Switzerland* (which are the only important free exchange markets remaining) will have to be paid for in sterling obtained from the Exchange Control at official rates or else in United States dollars or Swiss francs respectively. The Treasury state that exchange will normally be provided in their own currencies to residents in the United States and Switzerland in respect of commercial and current financial payments (including interest of dividends) due them.

As regards transactions with other countries outside the sterling and allied areas, broadly the same result will be achieved by expanding the system of Payments Agreements and Special Accounts, which enables settlements to be effected in sterling through official channels at official rates.

Similar arrangements have been, or will be, made by other countries in the sterling area.

These measures will further reduce the volume of sterling that can be dealt in on foreign markets and will enable the foreign trade of the United Kingdom to be conducted on the basis of sterling at the official rate. This will ensure the benefit of a stable rate, both to the United Kingdom and to the other countries concerned. It will, moreover, ensure that full value is received for United Kingdom exports, either in the form of imports into this country or in the form of currencies which are urgently required for the payment of material, foodstuffs and munitions essential to the prosecution of the war.

The United Kingdom's trade with the sterling area—the British Empire (excluding Canada, Newfoundland and Hongkong), plus Egypt, the Anglo-Egyptian Sudan and Iraq—is of course conducted in sterling, and no question of exchange arises. With Canada an agreement having the effect of a Payments Agreement is already in operation.

At the same time the Treasury have announced that for the time being no licences will be given for the sale in the United Kingdom of securities owned by persons resident outside the sterling and franc areas. This means that foreign holders of British securities will not be able from now on to convert these securities into sterling and sell that sterling to other foreigners in the free market. The supply of sterling in the free market will thus be diminished.

Most of the United Kingdom's foreign trade is conducted on the basis of the official rate, but some exports are still sold for sterling at the "free" rate. As this rate has declined, imports paid for on this basis have been relatively too expensive, and exports have been sold too cheaply. It is the purpose of the Government that all current payments, both commercial and financial, should take place at the official rate. This would leave to the free market only such movements of capital as can take place under the now tightened Treasury regulations.

* It is to be noted that this report was written before the capitulation of France.

Previous regulations made it necessary for a foreign holder of securities to obtain a licence before he could realize them in the United Kingdom. It is now intended that, with rare exceptions, no more such licences will be given except to residents in the French area of the control. Thus, apart from such liquid sterling balances as still remain in foreign hands, fixed assets will be the only remaining form of capital which foreign holders can realize and remove out of the country by way of the free market. As the demand for sterling in the free market will be greatly reduced by the new measures, and the supply will be still further curtailed by cutting off the proceeds of securities, the free market may be expected to cease to have much practical importance. The Treasury statement adds that other members of the British Commonwealth of Nations are pursuing the same policy, where they have not done so already. The result will be that throughout the British, French, Netherlands and Belgian Empires the currencies forming the sterling bloc will circulate interchangeably on a fixed basis, while for all other current transactions with countries lying outside those areas there will also be stable rates of exchange.

UNITED KINGDOM IMPORTS FROM ITALY

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, June 14, 1940.—The entry of Italy into the war entails a complete cessation of imports from that country into the United Kingdom. The value of this trade in 1938 was £6,765,684. Of this amount, £3,093,442, or approximately 45 per cent, consisted of foodstuffs, and £2,833,281, or 40 per cent, of fully manufactured goods. Imports of raw materials from Italy were relatively unimportant.

Italy was a competitor of Canada in this market in a few specific articles, and in this connection the appended table shows entries during the calendar year 1938 of certain Italian goods which are of direct or indirect interest to Canada and will indicate the directions in which shortages of normal supplies are likely to develop. Now that all imports into this country are controlled, any diversion of trade to Canada will be restricted by the importance of the goods to the wartime economy and by the amount of exchange available.

Two commodities in which Italian products competed with Canada were macaroni and canned tomatoes. Sales of Italian macaroni in the United Kingdom have, however, already declined considerably in favour of Canada. Imports from Canada in 1938 were valued at £80,463 as compared with imports of £16,169 from Italy. In the case of canned tomatoes, enlarged opportunities for Canada would be dependent upon the Ministry of Food's decision that the product was required and that the necessary financing could be arranged. In the following table canned tomatoes are included under the heading "vegetables preserved in airtight containers, not sweetened." Imports from Italy in 1938 of canned tomatoes alone were valued at £672,922 as compared with £187,084 from Canada.

United Kingdom Imports from Italy in 1938 of Commodities of Interest to Canada

Food, Drink and Tobacco—	
Dairy produce:	
Cheese	£313,832
Fresh fruit and vegetables:	
Peaches and nectarines	130,378
Plums, greengages and damsons	112,264
Wheat products:	
Macaroni, etc.	16,169
Fruit, preserved with added sugar:	
Crystallized, glace, or Metz, and drained	21,509
Tinned or bottled in syrup	83,081
Vegetables preserved in airtight containers:	
Not sweetened	686,079

Raw Materials—

Hides and skins, undressed:

Hides £159,867

Articles Wholly or Mainly Manufactured—

Apparel:

Gloves of leather 229,319

Hats, caps, etc. (including hoods) of all other materials but straw 270,562

Cotton manufactures (except apparel and embroidery) 159,476

Footwear 16,796

Machinery and parts thereof 180,837

Silk manufactures, except apparel 99,574

Artificial silk manufactures, except apparel 183,987

Vehicles (including locomotives, ships and aircraft):

Road, mechanically propelled, and parts thereof (including tires and tubes) 83,956

UNITED KINGDOM FRESH APPLE EXPORT MARKET¹

W. B. GORNALL, FRUIT TRADE COMMISSIONER

I

Export Season 1938-39

London, May 3, 1940.—The 1938-39 export season established a record for the largest volume of fresh apples shipped from Canada to the United Kingdom during the five-season period 1934-35 to 1938-39. With an aggregate of 7,469,485 boxes, including all other types of packages, the seasonal export movement for 1938-39 showed an increase of 21 per cent over 1937-38, 94 per cent over 1936-37, 15 per cent over 1935-36, and 32 per cent over 1934-35.

General conditions in the fruit-producing areas in Canada were somewhat more favourable to the production of fruit than in the preceding year, thereby enabling the three export provinces to increase shipments to the United Kingdom.

Nova Scotia enjoyed favourable growing conditions and exported 1,577,656 barrels, including other packages, as compared with 1,191,312 barrels in 1937-38, an increase of approximately 32·5 per cent over the previous year's figures, and an increase of 40 per cent as compared with the average movement for the four-season period 1934-35 to 1937-38.

British Columbia has made steady progress in export volume during the past five seasons, and the peak of 2,432,868 boxes in 1938-39 showed an increase of 3 per cent as compared with 1937-38, of 60·4 per cent over 1934-35, the season of smallest shipment, and 24 per cent more than the average for 1934-35 to 1937-38.

TABLE No. 1

Total Exports of Apples to United Kingdom by Provinces

	1934-5	1935-6	1936-7	1937-8	1938-9
	Bbls.	Bbls.	Bbls.	Bbls.	Bbls.
Nova Scotia	1,295,600	1,348,762	661,865	1,191,312	1,577,656
Ontario	60,049	91,423	44,877	80,029	101,148
	Boxes	Boxes	Boxes	Boxes	Boxes
British Columbia . . .	1,575,800	2,173,890	1,726,209	2,354,777	2,432,868
New Brunswick . . .	.....	757	740	1,210	8
Quebec . . . . .	.....	.....	.....	.....	197
Total in boxes . . .	5,642,747	6,495,202	3,847,175	6,170,004	7,469,485

¹ A summary of the fresh apple export market covering the calendar year 1939 is concerned with the closing months of the 1938-39 season and the opening months of the 1939-40 season. For purposes of clarity this report is divided into two sections. Part I is a brief survey of the 1938-39 season; Part II, covering the first half of the 1939-40 season, will be published in next week's issue.

PACKAGE SHIPMENTS AND DISTRIBUTION

The total export shipments for the season 1938-39, amounting to the equivalent of 7,469,485 boxes, consisted of the following types of packages:—

TABLE NO. 2

Shipments from Canada to United Kingdom Markets by Type of Container

Province	Boxes	Hampers	Cartons	Half-bbls.	Barrels
British Columbia.. . . .	2,432,868	.....	.....	.....	.....
Ontario	4,000	14,360	1,980	.....	94,368
Quebec	197	.....	.....	.....	.....
New Brunswick	8	.....	.....	.....	.....
Nova Scotia	760	27,650	1,740	56,150	1,548,889
Total.. . . .	2,437,833	42,010	3,720	56,150	1,633,876

NOTE.—Half-boxes are included under boxes column.

Distribution of export shipments to the principal primary markets in the United Kingdom was normal, London receiving 31·7 per cent of the total movement; Liverpool, 30·6 per cent; Glasgow, 13·3 per cent; and the balance to the remaining six ports as follows:—

TABLE NO. 3

Distribution of Export Shipments, Season 1938-39

	British Columbia Boxes	Nova Scotia Bbls.	Ontario Bbls.	Per Cent of Total Shipments
London	561,156	594,906	6,573	31.7
Liverpool	591,172	518,174	47,487	30.6
Glasgow.. . . .	756,896	50,810	29,700	13.3
Manchester.. . . .	15,336	160,828	1,440	06.7
Hull.. . . .	168,280	70,985	5,970	05.3
Newcastle	80,790	89,880	200	04.7
Cardiff and Bristol.. . . .	82,505	67,121	2,163	03.9
Southampton.. . . .	125,009	24,952	7,615	03.0
Other ports	27,866	.....	.....	} 00.8
Not classified.. . . .	23,858	.....	.....
Total	2,432,868	1,577,656	101,148	100.0

GENERAL MARKETING CONDITIONS

The 1938-39 export season opened under fairly favourable conditions; competition from the English apple crop was light, but the United States was a more or less speculative factor in that a prospective trade agreement with the United Kingdom included a reduction in duties.

This possibility appeared to encourage heavy shipments of Canadian apples during the first half of the season, and by the end of 1938 Canada had shipped to the United Kingdom approximately 74 per cent of the total volume exported during the whole season. With a reduction in duty on foreign apples effective January 1, 1939, apple exporters in the United States adopted a reverse policy, and the imports during the second half of the season beginning January 1, 1939, was almost twice the volume imported during the first half of the season ending December 31, 1938.

The rather heavy supplies of Canadian apples during the first half of the season, together with the European crisis, resulted in average price levels declining rather sharply from those for the opening sales. Values remained at comparatively low levels until the European crisis had passed, after which improvement set in, and appreciably higher prices were maintained throughout the remainder of the season.

The rise in average price level from the first half of the season to the second half was as follows: Nova Scotia barrels, 11·8 per cent; Ontario barrels, 24·3

per cent; and British Columbia boxes, 5.5 per cent. The total shipments to reach the United Kingdom from Canada up to the end of December, 1938, were approximately 5,537,600 boxes, including all other types of packages, the remainder (1,935,885 boxes) was delivered during the second half of the season, and thus not more than 26 per cent of the total seasonal movement reaped the benefit of the higher average selling value.

TABLE No. 4

Average Auction Selling Prices, 1938-39

	Sept.-Dec., 1938 s.	Jan.-Apr., 1939 s.	Increase Per Cent	Seasonal Average s.
Nova Scotia Brls.	16.50	18.45	11.8	16.98
Ontario Brls.	19.69	24.47	24.3	21.22
British Columbia Bxs.	9.67	10.20	5.5	9.91

Average prices received for Canadian apples for the season 1938-39 show an appreciable increase as compared with the previous season, and the levels attained were not far below the highest reached during the five-year period 1933-34 to 1937-38. Compared with the season 1937-38, average prices for 1938-39 were increased as follows: Nova Scotia, barrels, 9.5 per cent; Ontario, barrels, 6.7 per cent; and British Columbia, boxes, 12.7 per cent.

TABLE No. 5

Average Auction Prices, 1933-34 to 1938-39

	Nova Scotia Shillings per Barrel	Ontario	Br. Columbia
1933-34	11.28	.....	.....
1934-35	13.33	.....	.....
1935-36	18.12	21.61	7.90
1936-37	14.00	20.54	10.28
1937-38	15.50	19.88	8.79
1938-39	16.98	21.22	9.91

NOVA SCOTIA

The average selling values for Nova Scotia barrels opened at very satisfactory levels, but with a marked increase in volume of arrivals, coupled with the European crisis, prices fell rapidly to an average of 14.3s. by the end of September and 13.75s. during the first week in October.

Trading conditions were approximately normal by the end of October, when prices rose considerably, but, with heavy shipments during November, values again declined, and little or no improvement was shown until an upward trend developed just prior to the beginning of the Christmas trade. With heavy decrease in supplies after the New Year, a marked improvement in prices set in, and for the remainder of the season the higher level was well maintained, interspersed with sharp variations, particularly in the barrel trade.

The average price per barrel as shown in Table No. 5 is 16.98s., the second highest average price during the six-year period 1933-34 to 1938-39. This is a most satisfactory result, particularly when the volume of fruit placed on the market was appreciably higher than for any other season during this period. The average selling price and volume of fruit, as shown in the following table, indicates that the season 1938-39 is outstanding, the total selling value exceeding by slightly more than 5 per cent that of the next highest season, 1935-36.

TABLE No. 6
Export Volume and Average Prices

	Total Exports to U.K. Bbls.	Average Price Per Bbl. s.
1934-35	1,295,600	13.33
1935-36	1,348,762	18.13
1936-37	661,865	14.02
1937-38	1,191,312	15.50
1938-39	1,577,656	16.98

The total number of barrels imported from Nova Scotia during the season 1938-39 includes an appreciable quantity of 2-inch to 2½-inch size in both No. 1 and Domestic grades, and the average price includes this volume of small fruit, but in the previous seasons the quantity of 2-inch apples imported was insignificant and the average prices do not include this small fruit.

To illustrate the progressive improvement in the selling value of Nova Scotia apples during the past few years, the average price for No. 1 and Domestic grades are shown in Table No. 7 for the seasons 1933-34 to 1938-39. From the low levels prevailing in 1933-34, average prices advanced by slightly more than 6s. per barrel over the six-year period, excluding the season 1935-36 when the highest average prices were obtained due to an almost complete failure in the English crop and the outstanding quality of the Nova Scotia crop.

TABLE No. 7
Average Prices at Auction for Large and Medium-sized Apples

	No. 1 Grade 2½" & 2½-2½"	Domestic 2½" & 2½-2½"	Both Grades 2½" & 2½-2½"
	Shillings per Barrel		
1933-34	12.76	9.58	11.28
1934-35	14.21	12.05	13.33
1935-36	18.86	16.83	18.13
1936-37	16.32	12.16	14.02
1937-38	16.51	14.09	15.50
1938-39	18.14	16.11	17.12

TABLE No. 8
Average Prices Received at Auction for Principal Varieties on all Markets.

	No. 1 Grade 2½" Up	2½"-2½"	Domestic 2½" Up	2½"-2½"
	Shillings per Barrel			
Gravenstein	15.01	15.34	13.34	13.19
Blenheim	17.22	15.92	15.76	14.45
King	19.52	18.18	17.69	16.52
Ribston	17.84	19.62	16.07	17.23
Wagner	18.84	18.66	16.09	15.28
Baldwin	18.05	16.47	15.54	13.80
Northern Spy	17.54	16.46	15.28	13.77
Golden Russet	23.36	22.53	19.77	18.35
Stark	17.54	14.78	16.39	13.73
Ben Davis	18.77	17.38	17.16	15.54
Gano	19.98	18.94	17.47	16.09
Cox Orange	30.47	33.92	25.26	27.39

TABLE No. 9
Average Auction Prices for All Varieties on Principal Markets.

	No. 1 Grade 2½" Up	2½"-2½"	Domestic 2½" Up	2½"-2½"
	Shillings per Barrel			
London	18.14	17.56	16.57	15.18
Liverpool	18.98	17.56	15.93	14.88
Glasgow	17.48	14.89	15.54	13.11
Newcastle	18.48	16.45	16.38	14.05
Hull	17.52	16.80	14.94	14.93
Cardiff	18.68	17.72	17.48	15.99
Manchester	17.55	16.53	15.73	14.25
Southampton	18.04	17.74	16.91	16.34

SMALL APPLES

The general shortage of English apples created a limited demand at remunerative prices for apples of small size—2 inches to 2½ inches. Such a situation is not likely to obtain when available supplies are more liberal, and under normal conditions the sale returns for barrel apples of small size, except special varieties such as Cox Orange, are not likely to be profitable.

No record is available of the total quantity of small-sized fruit shipped from Nova Scotia to the United Kingdom, but auction sale records show that 37,171 barrels were offered for sale, and this quantity may be fairly close to the total volume shipped. Average prices per barrel were as follows: No. 1 grade, 15·81s.; Domestic, 13·64s.

BRITISH COLUMBIA

The trend in prices for British Columbia boxed apples followed to a marked degree the fluctuations in prices for Nova Scotia barrels. Both opened at fairly high levels, but the decline which normally sets in immediately following the opening sales affected prices of boxes for a longer period than those of barrels, the latter recovering more quickly. This stage in price level was followed by recovery; then the European crisis brought about a decline to comparatively low levels, which were held in varying degree until just prior to the Christmas trade, when improvement developed which was held with few fluctuations until the close of the season.

Average price levels received at auction, which may be considered as fairly indicative of the average value of the total volume of fruit offered for sale, compared favourably with those of the previous season, and at 9·91s. per box showed an increase of approximately 12·7 per cent. This result, coupled with the fact that the volume of fruit exported to the United Kingdom was the highest for the five-year period 1934-35 to 1938-39, may be considered as highly satisfactory. The total volumes of fruit exported to the United Kingdom and the average auction prices received for each of the past five seasons are shown in the following table:—

TABLE No. 10
Total Exports and Average Prices

	Total Exports to U.K. Boxes	Average Price Per Box s.
1934-35	1,575,800	.....
1935-36	2,173,890	7.90
1936-37	1,726,209	10.28
1937-38	2,354,777	8.79
1938-39	2,432,868	9.91

The season 1938-39 was also outstanding in that the total selling value, estimated at £1,205,436, was 16·5 per cent greater than for the next highest season, 1937-38, and probably the highest on record.

TABLE No. 11
Average Selling Prices of Leading Varieties

	Ex. Fancy	Fancy	"C"
	Shillings per Box		
Wealthy . . . . .	.....	9.26	.....
McIntosh	10.45	9.80	8.60
Jonathan	10.30	9.53	8.70
Delicious	11.33	10.44	9.36
Newtown	10.83	10.36	9.94
Rome Beauty . . . . .	.....	9.74	9.21
Stayman	10.02	9.64	8.74
Spitzenberg	9.63	9.30	8.75
Winesap	10.41	10.09	9.34
Grimes Golden . . . . .	.....	8.22	.....

TABLE No. 12

Average Auction Prices on Principal Markets for All Varieties

	Ex. Fancy	Fancy	"C"
	Shillings per Box		
London	10.11	9.24	8.78
Liverpool	10.49	9.64	9.09
Glasgow	10.57	9.88	8.76
Newcastle	11.04	10.15	9.24
Hull	9.88	9.47	9.16
Cardiff	10.95	10.72	9.44
Manchester	10.33	8.71	7.75
Southampton	10.83	10.16	9.37

"C" GRADE APPLES

Owing to the short crop of English apples, a departure from normal procedure was made, and "C" grade McIntosh and Delicious, not normally exported, were placed on the market. The average prices received justified the movement. The total export movement of these varieties in "C" grade is not known, but the quantity offered for sale at auction, estimated at approximately 68,000 boxes, indicates that the total quantity was limited.

ONTARIO

Export shipments from Ontario continued at the low level which has prevailed during the past few seasons, but there was a slight upward trend in the seasonal movement. The quantity shipped during the season 1938-39, estimated at 101,148 barrels, was 26 per cent higher than in the previous season, and represents the peak of the movement during the period 1934-35 to 1938-39.

Average prices received at auction sales during the past four seasons have been quite consistent, showing a narrow spread from one season to another. The following table shows the average auction prices in shillings per barrel for all varieties and grades:—

TABLE No. 13

Average Auction Price

	Shillings per Barrel
1935-36	21.61
1936-37	20.54
1937-38	19.88
1938-39	21.22

Approximately 50 per cent of the total volume received in the United Kingdom is sold at auction, Glasgow, Liverpool and Southampton handling the main supply, with Hull, Manchester, Cardiff and Newcastle participating to a much lesser degree. Only very small quantities were handled by auction in London, the bulk being sold by private treaty.

AVERAGE SELLING PRICES

Average selling prices for the ten leading Ontario varieties are shown in the following table. It will be noted that the average price received for Starks was higher than for any other variety. This was not due to any special intrinsic value in the apple but to the fact that shipments were confined to the latter part of the season, when high prices were ruling for apples generally.

TABLE No. 14
Average Auction Prices of Principal Varieties

	No. 1 2½" Up	2½"-2½" Shillings per Barrell	Domestic 2½" Up	2½"-2½" Shillings per Barrell	Average All Grades
Stark.. . . .	26.40	24.57	25.81	22.78	25.84
Greening	25.24	21.02	22.15	17.05	23.89
King.. . . .	24.23	23.00	19.06	19.50	22.27
Russet	23.55	24.36	19.90	21.25	21.05
Ben Davis.. . . .	21.26	21.13	21.98	20.30	20.98
Baldwin	22.22	23.67	17.23	19.49	19.85
McIntosh.. . . .	19.20	21.33	15.21	16.19	18.34
Spy	19.60	23.24	13.90	18.13	18.01
Blenheim.. . . .	18.41	20.68	15.46	18.04	17.91
Wealthy	18.47	18.23	13.28	14.52	17.28

READJUSTMENT OF INDUSTRY IN THE SOUTH MIDLANDS

E. L. MCCOLL, CANADIAN TRADE COMMISSIONER.

Bristol, June 11, 1940.—The mobilization of industry in the South Midlands, which has been going on for nearly a year, has only made headway by an upheaval of the deeply entrenched channels of trade. The policy of government controls rigidly restricts the importation of commodities deemed in the present emergency to be non-essential and carefully supervises the distribution of raw materials required for war purposes, the available stocks of which in many cases are not sufficient to leave a surplus for other branches of production engaged in filling export and home civilian needs. The result is that numerous firms have had to curtail or to cease altogether the manufacture of their pre-war lines. At the commencement of hostilities many manufacturers found it increasingly difficult to carry on. Inability to procure essential raw materials was accompanied by a steadily diminishing supply of labour of the right kind. Now it seems likely to be only a matter of time before production is limited to the most essential goods.

EXPORTERS

Those engaged in foreign trade have been looking forward to more consideration with regard to quotas for raw material based on the powers of the recently appointed Export Council. Local groups have been formed to work under the direction of this national body, but, even with the best will for helping the export industrialists, the Council's efforts have been adversely affected by the intensification of the war. Manufacturers using steel and aluminium are particularly affected.

Notwithstanding the difficulties with which they are faced, exporting firms are now recovering a considerable proportion of their lost trade as a result of the increased consideration they are receiving, as exporters from commodity Controllers, and of the finding of outlets for new articles which they have been able to make to advantage from materials which are available. Few firms have closed down.

INFILTRATION AND TRAINING OF UNSKILLED LABOUR.

One of the methods approved for increasing production is the absorption into the ranks of skilled labour of all those who show promise or capacity for being trained. An encouraging note has been the response on the part of labour to recent requirements, which are now of a very exacting nature. For the time being skilled men employed on work not directly connected with war needs must be drafted from their jobs to the manufacture of war material. The appeal is made that the present is no time for tedious legislation and interminable conferences and discussions. Every effort is being made to keep machinery

going twenty-four hours a day, seven days a week. In order to do so as far as possible, workers have willingly accepted twelve-hour shifts without holidays. The shortage of craftsmen is the chief handicap, as there is not yet a sufficient number to permit of capacity production. Before the war, when night work was necessary, it was limited to eight hours and frequently to five nights a week only. Now night work is carried on for twelve hours at a time and for seven nights a week. Also all limitation upon the working of women and young persons at night has been abolished. These conditions need only obtain for a short time, as the potential influence of the vast army of recruits now swelling the ranks of skilled labour will soon be felt.

Employers are asked to recognize that skilled labour additional to that which they already have, is not available and that they should obtain it only by the process of dilution and substitution. Throughout the country they have been asked to refrain from advertising for men or women artisans, or if compelled to do so to bear in mind that they must not accept applicants already employed on war work. They are specifically requested to meet their own needs by training unskilled labour on their own premises and to aim at obtaining by this method a sufficient number of qualified helpers to complete three eight-hour shifts.

It is emphasized among employers that unskilled and semi-skilled female labour must be trained in the thousands of jobs that can be undertaken after the briefest period of instruction, to replace men liable to be called up for active service. The appeal is made to men and women artisans and to those who know that they have the ability to qualify as such, not to waste their time in this emergency on ordinary jobs, but to seek employment on the most urgent and vital work for which their skill fits them.

FACTORY AND MACHINE SHOP EXPANSION

For some time vision and imagination have become slogans which accompany every movement of this readjustment program. Additions to old premises and the construction of scores of new factories are all designed elastically to provide for rapid expansion as occasion demands.

Activity among metal firms has been particularly marked. Pig-iron, iron and steel and tinplate industries are noteworthy in this respect. General and constructional engineering firms are both running full time. The shipbuilding program is included in this category as the South Midlands is affected by a large number of ancillary industries.

Motor factories are working at high pressure in spite of the fact that a large part of this industry is not engaged on its normal work.

Petrol rationing and the severe tax increases on petrol and on motor car licences have resulted in a marked reduction in motor traffic, in consequence of which many garages have had to close down. Some improvement in their situation is shortly to take place, however, due to the necessity of employing those shops which can offer machine-tool service for the making of munitions or which can assist in the transport requirements of the fighting forces.

GRASS LAND UNDER THE PLOUGH

A large section of hitherto unploughed grass land in the rural areas of the South Midlands has been cultivated in response to the national appeal for more home-grown cereals and vegetables. Local associations have been working under a Central War Agricultural Committee and counties have been allotted quotas. Previous to such assignments a careful analysis was made of the grassland area in each county, and when ploughing ceased this spring 2,034,000 acres

of new land throughout the whole country had been ploughed. This is half the area which had been lost to the plough since the last war.

Food and munitions stand side by side as materials of war so farmers, like manufacturers, are asked to jettison all preconceived notions of their maximum production. Normal supplies of imported feeding stuffs will not be available; therefore, to maintain live-stock herds more land must be cropped. Broadcast appeals are being made to encourage householders to make every private garden produce to its limit and to revive the domestic poultry run and the cottage pig.

SUMMARY

The assistance given as counsellor and guide to individual firms by the Ministries of Labour, Agriculture and Supply, under the new absolute powers recently given by Parliament to the Government, is bearing visible fruit in places where obstacles existed. There has been a marked speeding up of activity in the South Midlands, as elsewhere, not only in war work but in production covering civilian needs and for the requirements of overseas trade. The industrialist and the farmer have been able to re-vamp their organizations and by so doing to continue in operation, making new and additional products for war, export and home civilian use.

HOUSING IN SCOTLAND

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Glasgow, May 30, 1940.—Despite the enormous number of new houses built over a period of many years, the housing problem in Scotland remains serious. Housing needs are still so urgent that it might almost be supposed that little had been done to relieve over-crowding, to clear away the slums, and to provide accommodation for the natural increase of the population, were it not for the visual evidence on the outskirts of every city and town, where enormous areas, formerly agricultural, are now residential suburbs.

It was estimated by the Department of Health for Scotland in its annual report for 1938 that nearly a quarter of a million houses were required before suitable accommodation would be available for the working-class population. About 19,000 houses were built in the period of 1939 up to the outbreak of war, so that more than 230,000 houses are still required. This total compares with 303,576 built during the twenty years since the last war. The number built in the first eight months of last year was almost exactly the same as during the whole of 1938, which is an indication of the speed-up which had taken place.

In the provision of working-class houses in Scotland, private enterprise continues to take relatively small part. For instance, only 6,904 houses were built in 1938 by private enterprise as compared with about three times that number built by local authorities. Of the 303,576 built since 1919, 246,832 were built with the aid of Exchequer contributions, 203,765 by local authorities and 43,067 by private enterprise. In England the position is just the reverse, private builders having erected in recent years a larger number of houses than the local authorities.

Scottish property owners claim that the reason private enterprise has had such a small share in house building is that the Scottish rating system, under which owners have to pay a proportion of local rates, discourages private building. They would like to see the adoption of a system like that in operation in England where all rates are payable by the occupier. But another reason is that building costs are higher in Scotland and rents are generally lower. Costs are higher because in Scotland houses are traditionally of high-class construction,

with stone walls (nowadays often artificial stone), larger rooms and higher ceilings than in England.

EFFECT OF THE WAR

Since the war began house-building in Scotland has been brought almost to a standstill by the shortage of timber supplies. Nearly all the wood that is being imported is required for war work. Accordingly the Department gave instructions that no further commitments were to be made, that work should be postponed on houses contracted for and not yet begun, and that houses under construction should be completed as speedily as available supplies of building labour and material would permit.

However, the surplus of timber available after the paramount war needs have been met, is apparently not sufficient to do a quarter of the work that the local authorities have on hand even under the present attenuated programs. The difficulty is one that is likely to continue, and unless it can be surmounted in some way the mandate given by the Department of Health for Scotland for the completion of houses already under construction can scarcely be effective.

At the same time, that mandate is considered by some of the local authorities as too restrictive, and a movement has been set on foot to press for a greater freedom to proceed with housing. The object is to obtain permission for going on with contracts that have been arranged, in addition to those that are actually in course of execution. Plans are apparently being made, if not already adopted, for the use of substitute materials for the timber used in house-building. One such substitute is reinforced concrete beams for floor joists. These are stated to be much cheaper than might have been anticipated. In addition, for a variety of purposes in construction and fitments there are alternatives to wood, which have not been much used heretofore due only to the force of custom in the building trade.

There is little cause to fear, however, that this prospective use of substitute materials will substantially affect the consumption of Canadian timber for house construction when the war is over. Before the war began the use of Canadian timber, principally Douglas fir in the merchantable grades, was making rapid progress. Two large schemes of timber houses, mainly of Canadian western red cedar, have actually been built or arranged for. Such work has necessarily ceased for the present, but there is no apparent reason why such schemes should not be resumed and expanded after the war.

FOREIGN EXCHANGE CONTROL REGULATIONS FOR EXPORTS OF GOODS

Since the Foreign Exchange Control Board issued its Bulletin No. 2 on Exports of Goods, dated March 31, 1940, the Board has amended a number of the regulations contained therein. In the following pages is printed the text of the bulletin with amendments to date.

FOREIGN EXCHANGE CONTROL BOARD

Bulletin No. 2

EXPORTS OF GOODS

1. GENERAL EXPLANATION

One of the chief objectives of foreign exchange control is to ensure that Canada's entire receipts of foreign exchange will be brought into one common pool to be used for public and private expenditures abroad as the national interest may require, and in particular to make certain that sufficient foreign exchange will be available for maintaining payments on Canada's foreign debt and for purchases of essential goods and war materials which must be obtained in foreign markets. The Foreign Exchange Control Order accordingly requires that all foreign exchange received by residents be sold to a bank acting as an authorized dealer for the Foreign Exchange Control Board, and that all

purchases of foreign exchange be made from an authorized dealer. The largest source of foreign exchange is the export of goods and it is therefore essential that the Board should know when and from whom foreign exchange arising from exports will be available. For this reason the Foreign Exchange Control Order makes provision for the licensing of exports to ensure that exports and payments arising from them take place only through authorized channels. Licences issued by the Board are for the purposes of the Foreign Exchange Control Order only and do not authorize any exportation of goods in contravention of any other law or which, under another Act or Order in Council, require a special permit or licence.

NECESSITY FOR OBTAINING FOREIGN EXCHANGE

The general policy of the Board is to require all Canadian exports to be sold for payment in foreign exchange. This involves a change in practice for some exporters who used to receive payment for their exports in Canadian funds. The reason for this requirement is that, when Canadian exporters ship for payment in Canadian dollars, the foreign importer or his bank might obtain the Canadian funds they need from another non-resident instead of from the Board and Canada would not acquire foreign exchange which would otherwise be forthcoming from the exports in question. Accordingly the general rule which the Board has adopted is that exports to non-British Empire countries (except Egypt, Anglo-Egyptian Sudan and Iraq) and to Hongkong, must be paid for either in United States dollars or a currency which is freely convertible into United States dollars. Exports to British Empire countries (excluding Hongkong), and to Egypt, Anglo-Egyptian Sudan and Iraq may be paid for in any foreign currency. This does not mean that the exporter must quote his prices in a foreign currency. Prices may still be quoted in Canadian dollars if the terms of sale, invoices, drafts, etc., clearly provide for actual payment in foreign exchange of an amount which, when sold to an authorized dealer in Canada by the exporter, will realize Canadian dollars equal to the quoted price.

PROTECTION AGAINST EXCHANGE RISK

If any exporter feels that he is subjected to an exchange risk, he may protect himself by selling foreign exchange to an authorized dealer (any branch in Canada of a chartered bank) for future delivery. In this way he can fix the rate of exchange on the transaction at the time it is entered into. Further particulars may be obtained from any authorized dealer.

EXPORTS TO BRITISH EMPIRE COUNTRIES

An exception to the general rule that exports must be paid for in foreign exchange is that an exporter shipping to British Empire countries may, if it is necessary for carrying on his business, obtain a special permit enabling him to export for payment in Canadian dollars. This exception is possible because of the fact that exchange control is in effect in all British Empire countries and the Board has been able to make arrangements to ensure that Canadian dollars will be obtained by importers in those countries only through official channels, so that, in effect, Canadian dollars obtained for such exports are the equivalent of foreign exchange. This exception does not apply to Egypt, Anglo-Egyptian Sudan and Iraq, nor to Hongkong, Palestine and Trans-Jordan.

FORMS AND PROCEDURES

The Board recognized from the inception of foreign exchange control that no single routine procedure could be found which would suit the varying circumstances of different kinds of export business. At the same time, the use of forms and routine procedure is necessary for speed and efficiency of administration and to ensure that the fundamental purposes of exchange control are achieved. With a view to causing as little interference and inconvenience as possible, the Board has established different kinds of licences and permits with appropriate procedures for each. Individual exporters will find that one of these procedures is more suitable than others to the circumstances of their business or some part of their business. The obtaining of a special kind of licence or permit is a voluntary choice on the part of the exporter.

2. EXEMPTIONS FROM LICENCE REQUIREMENTS

Unless a Collector of Customs and Excise otherwise orders, no export licence or permit is required in the following cases:—

- (a) goods of a value not exceeding \$25 exported for payment in foreign exchange or goods of a value not exceeding \$25 exported to Newfoundland.
- (b) goods of no commercial value, including samples sent for test.
- (c) goods exported temporarily for repairs, adjustments or to be tested, which on return to Canada will be admitted on payment of duty on the value of repairs, adjustments or tests only.
- (d) properly identified empty containers or coverings which are to be returned to Canada for entry under tariff item 709.

- (e) vessels or vehicles operating internationally, except in respect of the last exportation from Canada of any such vessel or vehicle which changes its ownership or ceases to operate internationally.
- (f) goods passing through Canada "in transit for export" without entry at Customs. Animals and articles imported for exhibition or convention purposes and subsequently entered ex-warehouse for export will not require export licences, being regarded as "in transit for export."
- (g) goods exported as gifts of a total value not exceeding \$25 per exporter per month; and also any goods of a value not exceeding \$5 per shipment exported by mail, express or freight.
- (h) travellers' samples.
- (i) settlers' effects.
- (j) printing plates, electrotypes, matrices and similar articles used in the printing trade if being exported without charge by or for use in newspapers or periodicals or are exported having been imported without charge by or for use in newspapers or periodicals.
- (k) personal baggage and effects, automobile or other vehicle or vessel and travelling, camping and sporting equipment of a resident or non-resident tourist.
- (l) goods purchased by a non-resident tourist as bona fide tourist purchases while in Canada, taken out by or with the tourist or shipped to him by the Canadian vendor. In the latter case, the usual Customs export entry form is to be used and endorsed "bona fide tourist purchases."
- (m) imported periodicals or covers of imported periodicals being re-exported from Canada.

3. LICENCES FOR EXPORTS OF GOODS

(1) *Particular Licence to Export Goods or Declaration of Goods Exported under Authority of General Licence—Form B*

Unless an export is exempt from licence or unless an exporter holds a special export-import licence (see subsection (4) below), Form B must be completed by the exporter for each carload or lesser shipment and signed by the Collector of Customs and Excise at the customs frontier port of exit. This must be done prior to exportation unless the exporter holds a General Export Licence. (See subsection (2) below.) When goods are shipped from an interior point of lading for export, Form B may be attached to the shipping documents which accompany the goods to the customs frontier port of exit, there to be signed by the Collector of Customs and Excise. In both cases Form B takes the place of export entry Form B13.

If the export is one from which no foreign exchange has been or is to be obtained by the exporter, a permit on Form D must be obtained prior to exportation. (See subsection (3) below.)

Exports on consignment require a modification of the ordinary procedure, particulars of which are outlined in section 5.

(2) *General Export Licence—Form A*

An exporter of goods making regular shipments, whose business is of such a character that it would be difficult to furnish the details necessary to complete Form B in advance of each export, may apply to the Board on Form A for a General Export Licence. A General Export Licence applies only to exports by water or by rail.

The only effect of a General Export Licence is to permit Form B to be submitted to the Collector of Customs and Excise at the port of exit within six days after instead of prior to the date of customs clearance of the vessel if the exportation was by water or of the customs report outwards of the railway vehicle if the exportation was by rail.

The holder of a General Export Licence may, of course, submit Form B at the time of export. If, instead, he avails himself of the privilege of submitting Form B within six days after the exportation, Customs export entry form B13 for each carload or lesser shipment, endorsed with the number of the exporter's General Export Licence, must be submitted to the Collector of Customs and Excise at the frontier port at the time of export or must accompany the goods if shipped from an interior point of lading.

If a holder of a General Export Licence is making an export for which no foreign exchange has been or is to be obtained, a permit on Form D must be obtained and submitted to the Collector of Customs along with Form B. (See subsection (3) below.)

Particulars of the modification of the ordinary procedure required for exports on consignment are outlined in section 5.

(3) *Permit to Export Goods in connection with which No Foreign Exchange is to Become Available—Form D*

Subject to the exemptions referred to in section 2, an exporter wishing to make any exportation of goods for which no foreign exchange is to be received must have an application on Form D approved by his authorized dealer prior to the exportation.

A permit on Form D for an export for which payment is to be received in Canadian dollars can be approved by an authorized dealer only when the exporter has obtained a Control Permit-Canadian Payment from the Board. (See section 4, subsection (2) below.)

A permit on Form D for an export for which no payment is to be received is granted in the circumstances mentioned in section 4, subsection (4) below.

A copy of Form D must be exhibited by the exporter to any convenient Collector of Customs and Excise for cancellation and for endorsement of its reference number on the relative Form B, or it may be forwarded with Form B to the frontier port of exit for this purpose.

Form D is not required by the holder of a BD permit (see section 4, subsection (3) below) nor by the holder of a special export-import licence (see subsection (4) below) nor by the holder of a Consignment Permit (see section 5 below) nor for exports to Newfoundland (see section 10 below) nor for exports of goods as gifts to members of the armed forces (see section 11 below).

(4) *Special Export-Import Licence—Form BE*

Provision has been made for granting special export-import licences to commercial companies with a substantial volume of export and/or import shipments. Applications for such licences may be made to the Board on Form BE. A company need not be incorporated in order to obtain a special export-import licence.

Holders of special export-import licences are not required to use Forms B or D for exports, but make a monthly return on Form BDE which gives the Board the information it would otherwise obtain from Forms B and D. In addition the Board's examiners may examine their books and records in order to verify the reports made to the Board or to obtain any information desired.

The usual customs export entries are to be used and must be stamped with the special export-import licence number. Sufficient copies of entries are to be furnished to enable the Collector of Customs and Excise concerned to forward a copy to the Board and to ensure the return to the licence holder of a certified copy.

Foreign exchange for the full value of all exports made under authority of a special export-import licence must be sold to the Board through an authorized dealer as soon as received (see section 4, subsection (1)) unless the exporter has also been given a BD permit to operate a foreign currency bank account or inter-company account. (See section 4, subsection (3).)

The holder of a special export-import licence may not make any exports for payment in Canadian dollars (except to Newfoundland) unless special permission has been obtained from the Board in the form of a Control Permit-Canadian Payment. When any payment in Canadian dollars is received, in partial or full settlement of exports, a Declaration of Canadian Dollars Received (Form OA) is to be completed and verified by an authorized dealer and sent to the Board along with the monthly report on Form BDE. (See section 4, subsection (2).)

4. PAYMENT FOR EXPORTS

(1) *Payment in Foreign Exchange*

An exporter is required to offer foreign exchange received from exports for sale to the Board through his authorized dealer as soon as it is received. An exporter is responsible for producing to the Board the currency in which the goods are sold. If, for example, exports are made for settlement in sterling, the exporter is not entitled to sell the sterling in New York and produce United States dollars for sale to the Board. Such a dealing in foreign exchange is expressly prohibited by the Foreign Exchange Control Order.

A Declaration of Foreign Exchange Offered for Sale on Form C is to be submitted to the authorized dealer when the foreign exchange is sold. Form C is required to be completed for every sale of foreign exchange to an authorized dealer arising out of the proceeds of exports regardless of the amount, except that the sale by an exporter at any one time of foreign exchange of a total value not exceeding \$500 arising out of exports for which no export licences were necessary, does not require the completion of a declaration on Form C.

If an exporter has incurred expenses payable in foreign exchange in connection with an export, he may pay such expenses out of the proceeds of the export if such payment is made by obtaining a draft from his authorized dealer at the time of selling the proceeds of the export sale to the authorized dealer. In such a case only the balance need be sold to the authorized dealer on Form C.

(2) *Payment in Canadian Dollars*

Every exporter, including a holder of a BD permit, special export-import licence or Consignment Permit, desiring to export for payment in Canadian dollars is required to obtain from the Board a Control Permit-Canadian Payment. A Control Permit is not necessary, however, for exports to Newfoundland. A Control Permit-Canadian Payment is granted only in the following circumstances:—

- (a) for exports shipped direct to British Empire countries with whom the Board has arranged that the Canadian dollars will be obtained only through official channels.
- (b) for exports of grain by exporters with whom the Board has made special arrangements to ensure that the Canadian dollars will be purchased only through the Board. (For further particulars reference should be made to instructions issued by the Board for grain exporters.)

- (c) in special cases where the Board is satisfied both that the Canadian dollars will be obtained through official channels and that the business in question cannot be carried on in any other manner.

A Control Permit-Canadian Payment is issued subject to special conditions which appear on the permit. Exports under the authority of such a permit must be paid for through a bank in a British Empire country. Payments must not be accepted by cheques or other instruments drawn on non-resident owned accounts in Canada other than those of a recognized bank in the British Empire.

The ordinary terms of a Control Permit provide for settlement being obtained for each individual shipment, but permission may be granted to ship on open account for payment in Canadian dollars if an exporter has made a practice of shipping in that manner in the past and would be handicapped unduly by inability to continue doing so. Where such permission is given, the exporter's Control Permit will be specially endorsed with the method by which such payment is to be made.

When goods are exported for payment in Canadian dollars on open account, evidence is required that the Canadian dollars have been obtained in the manner specified by the Control Permit. This evidence must be provided by a Declaration of Canadian Dollars Received on Form OA, verified by the exporter's authorized dealer. This declaration is to be made out whenever Canadian dollars are received in partial or full settlement of goods exported on open account. The declaration on Form OA will be attached to the relative Form D covering the export in question and will be sent to the Board by the exporter's authorized dealer.

Holders of special export-import licences (section 3, subsection (4) above) BD permits (subsection (3) below) and Consignment Permits (section 5 below) are required to provide a declaration on Form OA for *every* receipt of Canadian dollars in partial or full payment for their exports.

(3) Payment through Foreign Currency or Inter-Company Account—BD Permit

In order to facilitate the carrying on of ordinary commercial transactions the Board has made provision for allowing commercial companies to deposit the proceeds of exports to foreign currency bank accounts or to settle for exports through inter-company accounts. This permission is given in the form of a BD permit. The necessary information concerning transactions in such accounts is supplied to the Board by a monthly return on Form BDE and the Board's examiners may examine the books and other records of the company. Foreign exchange arising from exports, which will not be required for purchases or expenditures in the foreign country concerned within a period not exceeding three months, must be sold to an authorized dealer. Similarly, balances due for transactions recorded in inter-company accounts since September 15, 1939, must be collected from the non-resident companies and the foreign exchange sold to an authorized dealer. A company need not be incorporated in order to obtain a BD permit.

A BD permit holder is required to use Form B in connection with exports. The BD permit number must be stated on the form and the body of the form shall contain the statement, "Settlement through authorized foreign currency account," or "Settlement through authorized inter-company account," as the case may be.

The holder of a BD permit may not make any export for payment in Canadian dollars (except to Newfoundland) unless special permission has been obtained from the Board in the form of a Control Permit-Canadian Payment. (See subsection (2) above.) The BD permit holder who has a Control Permit is not required to obtain a permit on Form D for exports for payment in Canadian dollars but when any payment in Canadian dollars is received, a Declaration of Canadian Dollars Received on Form OA is to be completed and verified by an authorized dealer and sent to the Board along with the monthly report on Form BDE.

A BD permit holder may also obtain a special export-import licence or a General Export Licence.

(4) No Payment

Subject to the exemptions referred to in section 2, any exporter wishing to make any exportation of goods for which no payment is to be received must obtain a permit on Form D from his authorized dealer (see section 3, subsection (3) above). Permits are issued in the following cases:—

- (a) for the return of imported goods which were not in accordance with order.
- (b) for the return of unsold goods imported on consignment subsequent to September 15, 1939.
- (c) for gifts which appear reasonable in the light of the applicant's circumstances and the occasion for the gifts. (For special exemptions for gifts to members of the armed forces see section 11 below.)
- (d) for animals and articles exported for exhibition or convention purposes which are to be returned subsequently to Canada. The form should be marked "Temporarily exported for return by (approximate date)." (The export licence on Form B should be marked in the same manner, and the licence on Form E covering the

subsequent import should be marked "Return of goods temporarily exported through (port of exit and entry number)." If the animals or articles are sold while abroad the resulting foreign exchange must be declared and sold to an authorized dealer on Form C which should be marked "Exported through (port of exit and entry number) for return by (approximate date)."

- (c) where the exporter is engaged in the business of transporting household and settlers' effects and has been issued a special Control Permit for that purpose.

Holders of BD permits, special export-import licences and consignment permits are not required to obtain permits on Form D for exports for which no payment is to be received, but they may make such exports only in the circumstances referred to above.

This subsection does not apply to exports to Newfoundland.

5. EXPORTS ON CONSIGNMENT

A special procedure is necessary for exports on consignment. In the case of most such exports the exporter does not know, at the time of filling out Form B, when the goods will be sold and when or from whom he will receive payment. So that exporters on consignment need not change their past practice of doing business the Board has made provision for a special Consignment Permit under which the exporter supplies the information ordinarily given on Form B in a monthly report to the Board on Form EC. If an exporter's method of doing business does not enable him to fill out Form B in the ordinary way a Consignment Permit is necessary.

The holder of a BD permit or special export-import licence does not need a special Consignment Permit inasmuch as he already furnishes a monthly report to the Board on Form BDE.

A holder of a Consignment Permit will use Form B in the usual manner, but on the form he will show his Consignment Permit number and against item (k) (ii) will write "Export on Consignment." When the exporter sells any goods which were shipped on consignment, he must declare and sell the resulting foreign exchange to his authorized dealer on Form C on which he will show his Consignment Permit number and against item (d) (iii) will write "Proceeds of goods shipped on consignment."

A holder of a Consignment Permit may not make any export for payment in Canadian dollars (except to Newfoundland) unless special permission has been obtained from the Board in the form of a Control Permit-Canadian Payment. A holder of a Consignment Permit who has a Control Permit is not required to obtain a permit on Form D for exports for payment in Canadian dollars but, when *any* payment is received in partial or full settlement for such exports, a Declaration of Canadian Dollars Received (Form OA) is to be completed and verified by the exporter's authorized dealer and sent to the Board along with the monthly report. (See section 4, sub-section (2) above.) A holder of a Consignment Permit is not required to obtain a permit on Form D for exports for which no payment is to be received, but he may make such exports only in the circumstances referred to in Section 4, subsection (4) above.

6. EXPORT OF GOODS WHERE PAYMENT BEING MADE TO A PERSON OTHER THAN THE EXPORTER

Certain cases have come to the Board's notice where the actual exporter of goods is not the person who will receive payment from the foreign importer. The exporter is thus unable to state on Form B that he will be receiving foreign exchange which he will sell to his authorized dealer. In such cases it is suggested that the person who is to receive payment from the foreign importer be regarded as the exporter and that Form B be completed in such a manner that it will be sent to the authorized dealer of the person who will be receiving payment. The following examples illustrate the procedure which should be followed.

- (a) A non-resident buys goods through a resident agent but makes payment direct to the resident supplier. Form B should be made out in the name of the resident supplier and the name of his authorized dealer should be shown on the form.
- (b) A non-resident buys goods through a resident agent and makes payment to the agent. The resident agent should be regarded as the exporter and Form B made out in his name showing his authorized dealer.

Advice as to the procedure to be followed in any case of this kind where difficulty is encountered may be obtained from a Collector of Customs or authorized dealer or by writing to the Board.

7. SPECIAL PROCEDURE FOR CERTAIN EXPORTS TO THE UNITED STATES.

In some cases, United States importers provide Canadian funds in advance to pay for goods to be shipped by Canadian suppliers. The payment to the Canadian supplier is made in Canadian dollars and he is accordingly unable to state that he is receiving foreign exchange when he is filling in Form B at the time of export. If the United States importer sells United States dollars to an authorized dealer in order to obtain the Canadian dollars, there is, however, no objection to his using these Canadian dollars to pay the

Canadian supplier for exports made at a later date. In such cases, the United States importer, when selling foreign exchange, should complete Form C (or his authorized dealer may complete it on his behalf) stating thereon that the funds are being sold for the purpose of paying for Canadian exports and giving brief particulars of the goods in question. The Canadian dollars may be taken in cash or deposited in a bank account. Form B for the export of such goods must be made out in the name of the United States importer by himself or his shipping agent or by the Canadian supplier on his behalf, as though the United States importer were himself the exporter, showing thereon the name and address of the United States importer's authorized dealer and the reference number of the Form C in question.

8. PREPAYMENT OF FREIGHT

The Foreign Exchange Control Order requires that any prepayments of freight on exports be made by the exporter and be recovered from the foreign importer in the same manner as payment for the goods. If freight is prepaid on any shipment of goods exported from Canada, the exporter must charge the same to his customer as follows:

- (a) If the goods are being exported for payment in foreign exchange, the exporter must charge his customer with the equivalent of the cost of the freight either in the foreign currency for which the goods were sold or in the foreign currency, if any, in which the freight was paid.
- (b) If the goods are being exported for payment in Canadian dollars under a Control Permit-Canadian Payment, the exporter must charge his customer with the cost of the freight either in Canadian dollars, in which case payment must be obtained in the same manner as payment for the goods, or in the equivalent amount of foreign exchange.

It is not necessary for freight to be prepaid and, if the foreign importer so desires, he may buy goods f.o.b. some point in Canada and make arrangements to pay the freight on delivery in his own country. It is, however, no longer possible for a foreign importer himself to make a prepayment of freight in Canada, and, if freight is to be prepaid, it must be done by the Canadian exporter and he in turn must obtain payment for such freight in much the same manner as if he had sold on a c.i.f. basis.

9. EXPORT OF CAPITAL

It is a fundamental objective of the Foreign Exchange Control Order that no person shall make an unauthorized export of capital out of Canada. Exporters of goods should note that the following indirect methods of exporting capital are expressly prohibited under the Order unless special permission is obtained from the Board:

- (a) the making of any export shipment from Canada having a fair value in excess of \$100 for which no payment is to be received or at a price less than the fair value.
- (b) the sale of any goods or other property for export or the sale of any goods or other property exported from Canada on terms which provide for payment more than six months after shipment from Canada, except that where goods are shipped on consignment within the usual course of the exporter's business, it is permissible to provide for payment not more than six months after the date of sale of such goods.
- (c) failure to take reasonable steps to collect a debt owing by a non-resident with respect to goods or other property exported or to be exported from Canada or the granting of an unreasonable extension of time for payment of any such debt.

These provisions do not apply to the export or sale of goods or other property or the collection of any debt resulting therefrom by a non-resident who has previously paid to a resident an amount not less than the fair value thereof in foreign exchange or, if permitted by the Board, in Canadian dollars, nor with respect to the export or sale of goods or other property to the Government of the United Kingdom or of any country in the British Empire or to any allied Government in the present war.

10. EXPORTS TO NEWFOUNDLAND

Exports to Newfoundland are subject to the same licence requirements as other exports except that no Control Permit-Canadian Payment is necessary to export to Newfoundland for payment in Canadian dollars and no permit on Form D is necessary. In such a case, the exporter should strike out items (k) (i) and (k) (ii) on Form B and insert the word "Newfoundland" after item (k) (iii). Form B is not required for goods having a value not exceeding \$25 exported to Newfoundland.

11. GIFTS TO MEMBERS OF THE ARMED FORCES

No permit on Form D is required for goods to be exported as gifts to members of the armed forces of the British Empire or their Allies. Unless the export is exempt under paragraphs (a) or (g) of section 2, Form B will be used and should be completed by striking out items (k) (i) and (k) (ii) and writing the words "Active service gift" after item (k) (iii). A single shipment bulking packages individually donated or labelled will be considered as a single export.

12. EXPORTS BY MAIL OR PARCEL POST

Exports by mail or parcel post are subject to the same licence requirements as exports made by express or freight. When making an export of goods by mail or parcel post, which is subject to licence the exporter should present Form B to the Postmaster at the point of mailing. If no foreign exchange is to be received for the export, Form D must also be exhibited to the Postmaster.

When exports by mail or parcel post are exempt from licence, the sender should submit them for examination by the Postmaster at the point of mailing who will, if satisfied that the export is exempt from licence, certify that the parcel has been passed for export. If this is not done, there may be needless delay in the delivery of the parcel.

13. FORMS AND APPLICATIONS

Copies of the forms referred to may be obtained as follows:

Form A	}	from Collectors of Customs and Excise or from authorized dealers.
Form B		
Form BE		
Form C		
Form D	}	from authorized dealers.
Form EC		
Form OA	}	from authorized dealers or from the Board
Form BDE		

Applications for the following permits may be made direct to the Board at Ottawa by letter setting forth full particulars:

Control Permit-Canadian Payment,
BD Permit,
Consignment Permit.

14. OFFENCES AND PENALTIES

It is an offence under the Foreign Exchange Control Order to make a false statement in any application; to deceive or mislead the Board or an authorized dealer or Collector of Customs and Excise or any other person concerned in the administration of the provisions of the Order; to fail to comply with the conditions of any licence or permit or to violate any provision of the Order or any regulation of the Board.

Everyone guilty of an offence under the Foreign Exchange Control Order is liable to a fine up to \$2,000 or to imprisonment up to one year, or to both fine and imprisonment, and in addition, if any person, contrary to the provisions of the Order, exports or attempts to export from Canada any goods or buys or sells or otherwise deals with or attempts to buy or sell or otherwise deal with any foreign exchange or fails to declare any foreign exchange such goods or foreign exchange are liable to forfeiture.

15. ENQUIRIES

Further particulars and latest information may be obtained from Collectors of Customs and Excise or from authorized dealers or by writing to the Foreign Exchange Control Board, Ottawa. For the convenience of exporters on the Pacific Coast, the Board has established an office in the Bank of Canada Building, Vancouver, to which enquiries may also be addressed. In addition, branches of the Commercial Section of the Board, which deals particularly with matters affecting holders of BD permits and special export-import licences, are located at 67 Yonge Street, Toronto, and 201 Notre Dame Street West, Montreal.

NOTE.—On June 7, 1940, a Regulation of the Board came into force providing that no person shall make any export from Canada to any country outside the French Empire for payment in French francs or the local currency of any country in the French Empire, and that no person shall export any goods from Canada to the French Empire for payment in Canadian dollars or French francs except under and in accordance with the terms of a Control Permit bearing the prefix "CPF" issued by the Board on or after June 6, 1940.

Due to the present uncertainty, however, purchases and sales of French francs have been suspended by the Foreign Exchange Control Board.

CONTROL OF EXPORTS TO FRANCE AND FRENCH COLONIES

By Order in Council (P.C. 2833) dated June 27, 1940, it is provided that no person shall export any goods to France, French Colonies, Protectorates or Territories under French Mandate, without first having obtained a permit issued by, or on behalf of, the Minister of National Revenue. Application forms for permission to export goods to the countries referred to may be obtained on application to the Department of National Revenue, Ottawa.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

RESTRICTION OF DELIVERIES OF BULK CONDENSED MILK AND MILK POWDER

The Animal Products Trade Commissioner in London advises that the Minister of Food has made an Order restricting, from June 17, deliveries of bulk condensed milk and milk powder by manufacturers and importers to one-half of the quantity delivered in the corresponding months of 1938.

Manufacturers of chocolate, confectionery and ice cream and other manufacturing users will also be restricted in their use of condensed milk and milk powder to the same extent. The Order will not, however, apply to the use of these products in the manufacture of bread or of infant and invalid foods or to their use by hospitals and infant Welfare Centres.

The Order does not affect the sale of condensed milk in containers of less than 20 ounces.

Effect is given to these provisions by the Condensed Milk and Milk Powder (Control) Order, 1940.

Ireland

FREE ENTRY OF MORE AGRICULTURAL MACHINE PARTS

Mr. James Cormack, Canadian Trade Commissioner in Dublin, reports that, in order to help farmers in a drive for more tillage, component parts of agricultural machinery up to a value of £2, are to be duty free as from June 5, 1940. This duty-free privilege formerly applied only when the part did not exceed 5s. in value. Plough parts, however, remain at 25 per cent ad valorem preferential (applicable to Canada) and 33½ per cent full duty.

DUTY ON BUTTER AND CHEESE ABOLISHED

A government Order, effective June 5, abolished the duty in Ireland of 1s. per pound on butter and 4d. per pound on cheese, which by the Dairy Produce Price Stabilization Act, 1935, may be imported only under licence. Abolition of these duties is for convenience of administration, as no licences are being issued by the Department of Agriculture for butter. For cheese, licences are issued only for a few types not made in the country. The duty collected was considered too small to be of any advantage.

Australia

TARIFF DECISIONS

Recent Australian customs decisions, as to the tariff classification and rates of duty on articles regarding which question had been raised, include the following:—

Electric band sawing machines, designed for use as metal-cutting band sawing machines and as wood-working band sawing machines, if the value for duty does not exceed £120 each, 25 per cent ad valorem under British preferential tariff, 53½ per cent under general tariff, rates to increase as present Australian exchange depreciation may be lessened (item 176M3a).

The same machines having a value for duty exceeding £120 are free of duty under the British preferential tariff and dutiable at 15 per cent ad valorem under the general tariff (item 176M3b).

Valve-seat grinder sets, comprising a portable electric hand grinder, a wheel dresser, dressing wheels and pilots, the whole enclosed in a metal case: the emery wheel dresser is dutiable at 45 per cent ad valorem under the British preferential tariff (duty reduced one-fourth, or value-for-duty one-eighth, whichever is less, to compensate for Australian exchange depreciation), and 65 per cent under the general tariff (item 208A2); the remainder of the set is free of duty under the British preferential tariff and dutiable at 15 per cent ad valorem under the general tariff (item 174X35).

Circular saw plates, hardened and ground, but without centre hole, 15 per cent ad valorem under British preferential tariff, 15 per cent ad valorem plus 70 shillings per ton (2,240 lbs.) if from "most favoured nations," and 27½ per cent plus 70s. per ton if from other non-British countries, all rates to increase as present Australian exchange depreciation may be lessened (item 136D). Similar saw plates having a centre hole are dutiable at 45 per cent ad valorem under British preferential tariff (duty reduced one-fourth, or value-for-duty one-eighth, whichever is less, to compensate for Australian exchange depreciation), and 65 per cent under the general tariff (item 208A2).

Crude oil, light-weight, high-speed engines, of the compression-ignition type or of the controlled (spark plug) ignition type, for installation in existing motor vehicle chassis, railway and tramway vehicles and locomotives, to replace internal combustion engines which have rendered commercial service in such chassis, vehicles or locomotives, are free of duty under British preferential tariff and dutiable at 15 per cent ad valorem under general tariff (by-law under item 174Y).

Bone, having edges sawn and faces roughly trimmed, cut to length, in the form of a blank, for use in the manufacture of paper knives, is ruled to be "unspecified in the tariff," and is admissible free of duty.

Bichromate of soda, not packed for retail sale, is free of duty under all tariffs (by-law under item 415A1).

The following materials have been added to the list of articles admitted by by-laws under tariff item 358B, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff, when for use only in the manufacture or repair of aeroplanes or other aircraft: Aluminium alloy strip; high tensile steel rods; steel strip; vulcanized fibreboard; carburettor float assemblies, composed principally of cork coated with petrol-proof lacquer.

Canadian goods under the above items, having the required content of Canadian and/or Australian material and labour, and shipped in accordance with Australian regulations, are entitled to British preferential tariff rates. Goods from all countries outside the British Empire are subject to general tariff rates, except when a rate is quoted for "most favoured nations." These nations include Belgium, France, Netherlands, Norway, Sweden, Switzerland, and some others, but not the United States nor Japan.

South Africa

REDUCTIONS IN CUSTOMS DUTIES

Certain tariff changes which became effective in the Union of South Africa on May 21 remove the duty of 15 per cent ad valorem on the following: Antimony and tellurium powders; laboratory furnaces; road surface material spreaders (mechanical); blanc fixe (precipitated barium sulphate); bauxite; chemical activators for the decomposition of vegetable matter in the formation of compost; ethylene dichloride; instruments and appliances for locating water and oil. These articles are now free of duty. Tower wagon structures for street lighting systems, formerly dutiable at 15 per cent ad valorem, become dutiable at 3 per cent ad valorem. Duty-free entry has been extended to leather (excluding white), being bovine whole hides or skins measuring more than 192 square feet per dozen and valued at not less than 1s. 2d. per square foot and which was formerly dutiable at 20 per cent ad valorem or 6d. per pound, whichever returned the higher amount of duty. The duty on motorcycle batteries has been changed from 2s. 6d. each to 10 per cent ad valorem preferential tariff, applicable to Canada and the United Kingdom, and from 5s. each to 20 per cent ad valorem, applicable to other countries.

Southern Rhodesia

REFUND OF DUTY ON CARDBOARD BOXES

Refund of duty allowed in Southern Rhodesia on cardboard boxes or containers imported by manufacturers of confectionery, biscuits, cigarettes, boots and shoes, soap, perfumery, toilet preparations, and matches, for packing these goods, was extended on May 17, 1940, to apply to cardboard boxes and containers for packing of goods for general industrial purposes. The Southern Rhodesia duty on collapsible cardboard boxes and cartons is 10 per cent ad valorem, applicable to the United Kingdom and British Colonies, 20 per cent ad valorem applicable to Canada, other British Dominions and India, and 40 per cent ad valorem applicable to non-Empire countries. Other cardboard boxes are free of duty from all Empire countries and dutiable at 5 per cent ad valorem from non-Empire countries.

Newfoundland

SOME WAR TAXATION IN NEW BUDGET

War taxation announced by Hon. J. H. Penson, M.C., Commissioner of Finance in Newfoundland, on July 3 and reported next day in the *St. John's Daily News*, includes an increased duty on sugar of one cent per pound. Maple sugar and sugar used by manufacturers of tobacco and confectionery are not affected. Increased duties are also imposed on tobaccos in various forms, toilet preparations and moving picture films. New customs and excise revenues are estimated to yield \$412,000.

Following is a comparison of old and new duties:—

	Old Rate	New Rate
Brown or yellow sugar when imported direct or in bond from the British West Indiesper lb.	1½c.	2½c.
Loaf, cut loaf, cube, caster and powdered or icing sugars . . .per lb.	5c.	6c.
Other sugarper lb.	3½c.	4½c.
Tobacco plug, firm pressedad val.	18%	18%
plus per lb.	41c.	49c.
Tobacco, manufactured, for pipe smoking onlyad val.	18%	18%
plus per lb.	41c.	57c.
Tobacco, manufactured, commonly used in making cigarettes or for both pipe and cigarettesper lb.	\$1.03	\$1.43
Cigarettes, manufacturedper lb.	\$4.50	\$4.95
Perfumes, essences and toilet preparations containing not more than 30 per cent of alcohol by volumead val.	55%	65%
Non-alcoholic toilet preparations not elsewhere specified, including perfumeryad val.	50%	65%
Cinematograph films intended for public exhibitionper M feet	\$2.60	\$6.60

As formerly, the United Kingdom is accorded a rate of 40 cents less per M feet on cinematograph film and 10 per cent ad valorem lower on non-alcoholic toilet preparations.

MARKING OF IMPORTED EGGS

Under a Newfoundland Act effective July 1, published in the *Newfoundland Gazette* of June 11, eggs, excepting those for hatching purposes, will not be allowed entry into Newfoundland unless marked on the shell in indelible characters with the name of the country of origin or the word "Empire" or "Foreign".

Trinidad

IMPORT RESTRICTIONS ON STEEL AND MANUFACTURES OF STEEL

A notice dated June 15, 1940, issued by the Trinidad Control Board, announces that as a result of restrictions which have been imposed on the supply of steel and manufactures of steel by His Majesty's Government in connection with the prosecution of the war, a sub-committee of the Control

Board has been set up to scrutinize all orders for steel and for manufactures of steel, irrespective of the source from which it is proposed to order such goods. Importers are informed that all orders for steel and manufactures of steel, with a short statement indicating in each case the necessity for the order, should be submitted to the Board of Control for certification before the orders are placed. The notice also states that it should be understood that orders can only be certified by the Board of Control in cases where it is clearly shown that the goods are essential for requirements of the first importance.

Bermuda

TARIFF AMENDMENTS

The Bermuda Customs Tariff was amended on June 21, 1940, increasing duties as follows:—

	Former Rates		New Rates	
	British Pref. Tariff	General Tariff	British Pref. Tariff	General Tariff
Flour from wheat or rye	Free	2½% ad val.	9d. per 98 lbs.	9d. per 98 lbs. plus 2½% ad val.
Butter	10% ad val.	10% ad val. plus 1½d. per lb.	2d. per lb.	3½d. per lb.
Eggs, Jan. to May per doz.	5d.	6d.	10d.	11d.
Eggs, June to Dec. per doz.	3d.	4d.	8d.	9d.
Fruits, vegetables, and meats, canned or bottled ad val.	10%	12½%	15%	18½%
Sugar, white, refined per 100 lbs.	6d.	8d.	5s.	7s.
Sugar, other per 100 lbs.	6d.	8d.	1s.	2s.
Vegetables, frosted, Jan. to April. . . ad val.	20%	22½%	25%	27½%
Vegetables, frosted, May to Dec. . . ad val.	10%	12½%	25%	27½%
Bacon and hams incl. shoulders . . . ad val.	10%	10% plus ½d. per lb.	15%	15% plus ½d. per lb.
Fresh beef and mutton per lb.	¾d.	1¼d.	1d.	1¼d.
Fish, fresh, May to Sept. per lb.	2d.	2½d.	3d.	3½d.
Fish, fresh, Oct. to April	10% ad val.	12½% ad val.	3d. per lb.	3½d. per lb.
Cinematograph films per 100 ft.	3d.	11½d.	6d.	1s. 10½d.
Alcohol and rum per gal.	12s. 3d.	12s. 6d.	15s. 11.1d.	16s. 3d.
Cigarettes ad val.	30½% plus ad val.	31½% plus ad val.	30½% plus ad val.	31½% plus ad val.
Cigarettes plus per lb.	12½% 3s. 8.1d.	12½% 3s. 9d.	12½% 3s. 8.1d.	12½% 3s. 9d.
Cigarettes plus per 1,000	2s. 9d.	2s. 9d.	3s. 9d.	3s. 9d.
Cigarettes made in Empire entirely of to- bacco grown within Empire . . . ad val.	12½% 2s. 5.4d.	....	12½% 2s. 5.4d.	....
Cigarettes plus per lb.	2s. 9d.	....	3s. 9d.	....
Electrical appliance and apparatus including radios ad val.	10%	20%	15%	25%
Furniture of all materials ad val.	10%	20%	15%	25%
Gasoline per gal.	1½d.	1½d.	3d.	3½d.
Hardware ad val.	10%	17½%	12½%	20%
Lumber ad val.	10%	11%	11½%	12½%
Coal, other than from Great Britain, per ton	2s.	2s. 6d.	4s.	5s.
Oil, kerosene per gal.	¾d.	1¼d.	1d.	1½d.
Oil, bunker, fuel or diesel per ton	5s.	6s. 3d.	7s. 6d.	9s. 4½d.
Goods not included under any other heading in the tariff ad val.	10%	12½%	15%	17½%

The British preferential tariff applies to Canada and other British Empire countries, and the general tariff to all countries outside the British Empire.

Ceylon

LICENSING OF IMPORTS

With reference to the article in *Commercial Intelligence Journal* No. 1889 (April 13, 1940), pages 555-6, concerning import restrictions in Ceylon under the Emergency Powers Defence Act and Order in Council, 1939, a notice appeared in the Ceylon Government *Gazette* of April 12, 1940, announcing to

importers that they may work on the assumption that licences for the quarter May-July, 1940, would amount to at least one-third of the value allowed them on their normal licences for the first period of issue ending April 30, 1940. This basis of licensing, it was stated, would apply only to those persons and firms who would be entitled to a licence based on trade during the period January 1, 1937, to June 30, 1939, for the quarter in question. It was also stated that it would not apply to (a) persons or firms whose licences had already been debited, either fully or partially, for that quarter, or to (b) persons or firms who had no trade with the particular foreign country during the basic period and who were only granted special licences during the first period of issue to cover goods contracted or indented for prior to November 2, 1939. Cotton piece-goods and artificial silk, as well as unmanufactured tobacco, are governed by other regulations.

Netherlands Guiana

IMPORTS UNDER LICENCE

Mr. G. A. Newman, acting Canadian Trade Commissioner at Port-of-Spain, Trinidad, reports that imports into Netherlands Guiana are now subject to import licence issued on behalf of the local Government authorities by the Finance Administrator. Import permits are to be issued under approval of the Surinaamsche Bank, Paramaribo, and must be obtained before exchange will be granted to importers for payment of goods ordered. Foreign exchange has been partly released by Government authorities and approval has been given to the Surinaamsche Bank to remit in Canadian funds as well as other exchange. Luxury items are no longer permitted, and essential products allowed only up to part of the respective total imports in 1939.

Netherlands India

IMPORT QUOTA RENEWALS

Mr. J. L. Mutter, Canadian Trade Commissioner at Singapore, reports under date May 1 that Netherlands India notifications extend import quota restrictions into 1941 on various commodities, including: superphosphate and bi-superphosphate; fertilizers not otherwise specified; electric bulbs; tooth brushes; knives, scissors and clippers; safety razors and blades; other cutlery; oil lamps; sanitary ware and certain sanitary fixtures; and cotton blankets and quilts.

Certificates of origin should be furnished with goods subject to import quota restrictions.

EXCHANGE CONDITIONS IN EMPIRE AND FOREIGN COUNTRIES

Hongkong

Mr. P. V. McLane, Canadian Trade Commissioner at Hongkong, writes under date May 28, 1940, that the exchange situation in Hongkong, apart from the depreciation in the value of the Hongkong dollar in terms of non-sterling currencies on account of the drop in the London-New York cross rate, remains unchanged since the last quarter. Unlimited coverage is still readily obtainable for bona fide business purposes from local banks authorized to deal in foreign exchange.

Honduras

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Mexico City, July 1, 1940.—There continues to be a lack of foreign exchange and a scarcity of currency in circulation in Honduras. As a result, importers and merchants are handicapped and unable to liquidate their foreign obligations. Exporters to Honduras should be guided accordingly. At present there is no indication that the situation will tend to improve in the near future.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JULY 8, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for the principal exchanges for the week ending Monday, July 8, 1940, and for the week ending Tuesday, July 2, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending July 2	Nominal Quotations in Montreal Week ending July 8	Official Bank Rate
Finland	Markka	.0252	\$.0220	\$.0215	4
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0074	.0074	6
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial		.1952	.1952	—
Yugoslavia	Dinar	.0176	.0249	.0249	5
Portugal	Escudo	.0442	.0419	.0416	4-4½
Roumania	Leu	.0060			3½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2645	.2645	3
Switzerland	Franc	.1930	.2512	.2514	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4935	.2192	.2208	3
Cuba	Peso	1.0000			—
Guadeloupe	Franc	.0392			—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392			—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2342	.2348	—
Brazil	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0557	.0558	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6357	.6356	4
Peru	Sol	.2800			6
Venezuela	Bolivar	.1930			—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4070	.4048	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar		.0668	.0672	—
Hongkong . . . . .	\$		.2609	.2575	—
India	Rupee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2601	.2601	3.29
Java	Guilder	.4020			—
Thailand (Siam)	Baht (Tical)	.4424			—
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5760	3.5760	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds continued unchanged at \$4.43-\$4.47 and \$1.10-\$1.11 during the week ended July 8. During the same interval quotations for the Argentine peso (free rate) stiffened from 23.42 cents on July 2 to 23.62 cents on the 5th, while the close at 23.48 cents was up a net of 6 points. At New York sterling free market rates moved between \$3.82 and \$3.68, while the close at \$3.76½ showed a net loss of 3½ cents. Week-end demand for Canadian funds at New York lifted quotations to a four-months peak of 87½ cents on the 6th, while the final quotation of 86½ cents on the 8th compared with 83½ cents on the 2nd.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa. or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Canned Apples.....	478	Panama City, Panama....	Agency.
Miscellaneous—			
Hosiery, Ladies'.....	479	Dublin, Ireland.....	Agency.
Transparent Rayon Velvets....	480	Mexico City, Mexico.....	Agency.
Oilcloth for Table, Chair and Shelf Covering.....	481	Dublin, Ireland.....	Agency.
Chip or Pulp Board.....	482	Port of Spain, Trinidad....	Purchase and Agency.
Paint Brushes.....	483	Caracas, Venezuela.....	Agency.
Axes, Picks and Shovels.....	484	Durban, South Africa.....	Agency.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

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CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: W. J. RIDDIFORD, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL

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No. 1903



Chinese Coolies transporting Canadian Rolled Oats on the Dock
at Shanghai

ISSUED BY AUTHORITY OF

THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE

J. G. PARMELEE, DEPUTY MINISTER



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Vol. LXIII

Ottawa, July 20, 1940

No. 1903

MARKET FOR JAMS IN THE BRITISH WEST INDIES (EASTERN GROUP) AND BRITISH GUIANA

G. A. NEWMAN, ACTING CANADIAN TRADE COMMISSIONER

(Values are in British West Indies dollars, which are at a discount of 9.5 per cent from Canadian currency.)

Port of Spain, June 22, 1940.—Jams, marmalades and jellies are imported into this territory for sale mainly to the commercial classes, whose limited numbers restrict distribution to a few high-class grocery stores in each colony.

The following tables show for 1938, the latest year for which complete figures have been published for this territory, imports (a) by value and (b) by volume, except for Barbados, quantitative figures for that colony not being available:—

(a) Value of Imports of Jams, Jellies and Marmalades in 1938

	Trinidad \$	Barbados \$	British Guiana \$	Northern Islands* \$
United Kingdom	14,974	6,172	2,623	2,227
Canada	1,413	120	765	259
Australia	278	....	....	312
South Africa	612	1,387	....	470
United States	1,832	58	....	638
Other countries	20	87	8	188
Total	19,129	7,824	3,396	4,094

(b) Volume of Imports of Jams, Jellies and Marmalades in 1938

	Trinidad Lbs.	British Guiana Lbs.	Northern Islands* Lbs.
United Kingdom	127,456	20,469	14,999
Canada	8,176	5,317	1,571
Australia	2,912	....	2,916
South Africa	5,824	....	4,870
United States	8,680	....	3,798
Other countries	168	33	493
Total	153,216	25,819	28,647

* These comprise the Windward Islands of St. Lucia, St. Vincent, Grenada and Dominica; and the Leeward Islands of St. Kitts, Antigua, Montserrat and the Virgin Islands.

Up to the present Great Britain has supplied most of the imported jams and marmalades. Chivers' Fruit Farm products, Hartley's, Crosse & Blackwell's and Lipton's are among the brands sold on this market, Chivers' products accounting for a large percentage of the trade. Imports from Great Britain have been supplemented during the past five years by moderate imports of low-priced jams in 1-pound tins from Australia and South Africa.

Imports from Canada, which first entered this market in 1935, have been slowly but steadily increasing in volume until in 1938 approximately 15,500 pounds were shipped to this territory, Trinidad and British Guiana being the best individual markets.

Since the outbreak of war, delay in shipments from Great Britain has reacted in favour of Canada. In Trinidad, for example, the leading grocery store is heavily stocked with Canadian jams. This trend is at present modified by the existence of considerable pre-war stocks of English jams and marmalades and the fact that shipments, although uncertain, may be obtainable from the usual sources in the United Kingdom as well as from South Africa and Australia. Imports of jams into British Guiana from all sources are temporarily suspended.

Imports from the United States are restricted by the policy of the local Import Control Boards of refusing permits for importation from non-sterling countries, by the high premium on United States exchange, and by the higher general tariff, which is twice the British preferential rate, applicable to imports from that country.

TYPES IN DEMAND

In jams, strawberry has the largest sale on all markets, followed by raspberry, greengage and apricot, with smaller sales of black currant, cherry, plum, and other berry and fruit jams. Marmalades are also in good demand.

PACKING

Throughout this territory jams and marmalades are sold mainly in 1-pound glass jars, preferably the re-usable type, with an airtight top. There is also a steady sale in Trinidad for jam in 1-pound tins, which retail at about 6 cents per tin less than the glass jars. There is no sale, however for 1-pound tins in British Guiana, and only a small sale in Barbados.

In the latter colony there is a moderate demand for jam in 2-pound and 7-pound tins, the larger size being purchased by the bakery trade. The 7-pound tin is also in demand in Trinidad by bakeries and for the ships' store trade.

PRICES AND DUTIES

TRINIDAD

The most popular brand of jam imported from Great Britain was purchased recently in Trinidad at the following duty-paid, landed Trinidad prices (British West Indies currency): strawberry, \$2.05 per dozen 1-pound tins; raspberry, \$1.91; greengage, \$2.13; apricot, \$2.05; black currant, \$2.

Australian strawberry jam in 1-pound tins was quoted at \$2.16 per dozen tins, landed, duty paid, and at \$1.68 per dozen for other kinds.

South African strawberry jam is being offered at 6s. (\$1.44) per dozen 1-pound tins, f.o.b. Port Elizabeth, and other kinds at 4s. 6d. (\$1.08) per dozen f.o.b.

Trinidad retail prices for English jams are usually 30 cents per 1-pound glass jar and 24 cents per 1-pound tin. Australian jam in 1-pound tins retails at 20 cents per tin.

The British preferential tariff rate on jams entering Trinidad is 72 cents per 100 pounds, and the general rate is \$1.44 per 100 pounds, subject in both cases to a 15 per cent surtax of the duty.

BARBADOS

Ruling prices are about the same as in Trinidad. There is, however, a difference in the tariff, as in Barbados the British preferential rate is 10 per cent ad valorem on the f.o.b. value, and the general rate 20 per cent ad valorem, plus a surtax of 10 per cent of the duty in each case.

BRITISH GUIANA

The tariff on jams is much higher in British Guiana than in any of the other colonies, the British preferential rate being 6 cents per pound plus a

surtax of 30 per cent of the duty, plus 3 per cent bill-of-entry tax on the c.i.f. value; the general rate is 18 cents per pound plus the other charges. The result is that the landed duty-paid prices for jams have been somewhat higher in British Guiana than in the other colonies. For example, the latest prices quoted on a leading brand of English jams in 1-pound glass jars were: strawberry, 7s. 6d. per dozen, f.o.b. London; raspberry, 6s. 9d.; apricot, 6s. 3d.; and marmalade, 6s. per dozen. Freight and insurance amount to about 18 per cent of the cost, which, together with the British preferential duty rate and surcharges, gave a landed, duty-paid price of \$3.11 (British West Indies currency) for strawberry jam and \$2.66 for marmalade.

Although the above quotations are indicative of recent prices, they can no longer be accepted as competitive costs in view of the present restriction on jam imports from all sources.

At time of writing remaining stocks of English jams are retailing at 36 cents per 1-pound jar, and marmalade at 32 cents per 1-pound jar, while one well-known brand of jam from Canada is being sold retail at 32 cents per pound in glass jars.

TRADE OF TRINIDAD IN 1939

G. A. NEWMAN, ACTING CANADIAN TRADE COMMISSIONER

I

Port of Spain, June 3, 1940.—In view of the increase in the volume of trade between Canada and the British West Indies, the following summary of the 1939 trade returns for Trinidad—the principal market in the British West Indies, Eastern Group—should prove of more than usual interest to Canadian exporters.

Trinidad's total trade in 1939 was valued at \$86,201,478 as compared with \$86,454,233 in 1938. Figures of imports and exports for 1939 and the two previous years are as follows:—

	1939	1938	1937
Total imports, exclusive of transhipments...	\$34,762,954	\$35,497,121	\$35,835,514
Transhipments	7,039,524	7,794,674	7,698,719
Exports, including ships' stores.	35,731,557	33,741,592	31,530,673
Re-exports	1,627,919	1,626,172	2,171,622
Total exports	37,359,476	35,367,764	33,702,295
Ships' stores and bunkers	9,018,531	4,253,087	4,058,344

DOMESTIC EXPORTS

It will be noted that domestic exports in 1939 exceeded those of the previous year by \$1,989,965, or 5.8 per cent, and constituted a record in Trinidad's export trade.

Of the domestic exports in 1939, excluding ships' stores and re-exports, valued at \$26,713,026 (\$31,114,677 in 1938), 55.5 per cent was consigned to the United Kingdom, 9.8 per cent to Canada, 8.6 per cent to the British West Indies, and 4.8 per cent to the United States.

With the exception of petroleum and its products, export figures for which are not available for 1939, the principal products exported from Trinidad in 1939, according to total value and country of consignment, were as follows, total values for 1938 being shown within parentheses:—

Sugar.—Total, \$5,087,030 (\$4,956,793): United Kingdom, \$3,381,191; Canada, \$1,705,585.

Molasses.—Total, \$178,420 (\$139,441): Canada, \$88,490; United Kingdom, \$47,264; United States, \$42,664.

Cocoa.—Total, \$1,212,682 (\$2,369,286): United Kingdom, \$150,539; United States, \$594,756; Canada, \$145,573; Netherlands, \$108,266.

Copra.—Total, \$189,582 (\$194,224): Colombia, \$101,634; United Kingdom, \$84,957.

Vegetable Oil.—Total, \$141,956 (\$35,885): British West Indies, \$105,920.
Rum.—Total, \$97,472 (\$59,314): United Kingdom, \$77,631.
Bitters.—Total, \$95,629 (\$114,787): United Kingdom, \$45,811; Sweden, \$8,813.
Grape Fruit.—Total, \$71,343 (\$318,243): United Kingdom, \$50,702; Canada, \$18,314.
Unfermented Fruit Juice.—Total, \$61,500 (\$76,546): Canada, \$59,894.
Coffee.—Total, \$41,870 (\$40,488): British West Indies, \$18,833; Canada, \$17,544.
Feedstuffs.—Total \$28,948 (\$13,486): British West Indies, \$15,473; United Kingdom, \$8,151.
Asphalt.—Total, \$1,170,571 (\$1,131,078): United Kingdom, \$410,515; United States, \$238,097; Netherlands, \$61,689; other countries, \$450,358.

IMPORTS

Imports into Trinidad in 1939 were valued at \$34,762,954 and were 2 per cent below those of the previous year. The decrease was due mainly to a drop in imports of manufactured products, which were valued at \$23,057,950 in 1939 as compared with \$24,163,511 in 1938, the outstanding decrease being \$1,256,141 in tubes, pipes and fittings. Foodstuffs were imported to the value of \$9,315,412 in 1939 as compared with \$8,860,491 in the previous year, and raw materials to the value of \$2,318,624 as compared with \$2,399,942.

The percentage distribution of imports for 1939 and the two previous years, according to the principal countries of origin, was as follows:—

Total imports	1939	1938	1937
	\$34,762,954 Per Cent	\$35,497,121 Per Cent	\$35,835,514 Per Cent
United Kingdom	35.79	37.08	36.52
United States	25.49	23.72	23.75
Canada	14.50	11.91	12.35
India and Ceylon	3.54	3.85	3.53
Venezuela	3.31	4.28	5.38
Netherlands	2.89	2.62	2.15
Germany	1.88	3.83	3.52
Japan	1.47	1.38	1.71
Hongkong	1.41	0.85	1.40
Argentina	1.12	0.99	0.88

IMPORTS FROM THE UNITED KINGDOM

In 1939 total value of imports into Trinidad from the United Kingdom, the principal source of supply, amounted to \$12,442,672 as compared with \$12,913,105 for the previous year. Of this total, 89.5 per cent or \$11,144,624 was accounted for by manufactured products, a drop of \$457,785 below the corresponding value for 1938. This was due mainly to a reduction in imports of steel pipe and tubing, valued at \$1,500,891 as compared with \$2,317,203 in 1938. Other manufactured products imported from the United Kingdom to a value of over \$50,000 in 1939, with comparative figures for 1938, were as follows:—

Cement, \$574,297 (\$631,018 in 1938); steel angles, shapes and sections, \$256,958 (\$335,848); steel plates and sheets, \$69,781 (\$43,775); corrugated iron sheets, \$117,509 (\$149,539); rails, \$78,451 (\$17,960); manufactures of brass, copper and alloy, \$136,080 (\$122,964); steel manufactures n.o.p. \$348,471 (\$377,421); copper manufactures n.o.p., \$88,419 (\$32,859); hardware other than hollowware, \$57,038 (\$52,443); insulated electric wire and cable, \$192,525 (\$141,305); electrical goods and apparatus n.o.p., \$226,761 (\$122,374); electrical machinery, \$188,901 (\$137,279); internal combustion engines, \$302,600 (\$246,724); sugar-making machinery, \$335,787 (\$114,053); machines and machinery n.o.p., \$422,911 (\$325,994); metal furniture, \$55,047 (\$83,839); cotton piece-goods, white, bleached, \$164,414 (\$171,316); cotton piece-goods, printed, \$248,415 (\$275,480); cotton piece-goods, dyed in piece and coloured, \$351,644 (\$377,442); cotton thread, \$86,567 (\$75,862); made-up cotton goods, \$56,762 (\$65,541); woollen manufactures, \$187,036 (\$190,278); manufactures of wool and other materials, \$137,918 (\$103,524); artificial silk piece-goods, \$177,296 (\$161,620); boots and shoes, leather, \$414,224 (\$389,487); hats and caps, \$124,411 (\$149,143); chemical manufactures, \$208,562 (\$204,930); proprietary medicines, \$85,414 (\$71,057); ready-mixed paints, \$75,141 (\$66,627); lubricating oil, \$94,922 (\$91,734); laundry soap, \$164,514 (\$188,193); stationery, \$124,417 (\$101,251); paper manufactures n.o.p., \$75,157 (\$81,962); printed books, \$85,684 (\$83,723); sulphate of ammonia, \$200,785 (\$249,643); motor cars, not exceeding 3,000 pounds, \$163,733 (\$109,314); and manufactured goods n.o.p., \$73,668 (\$72,984).

Imports of foodstuffs from the United Kingdom were valued at \$1,185,171 in 1939 as compared with \$1,237,789 in 1938. This moderate recession was due mainly to a withdrawal of English millers from the Trinidad flour market during the latter part of the year. The major imports of foodstuffs from the United Kingdom in 1939, with comparative imports for 1938 shown within parentheses, were as follows:—

Flour, \$149,566 (\$216,535); bacon and ham, \$33,349 (\$38,364); butter, mainly in tins, \$151,263 (\$72,310); margarine, \$49,224 (\$52,482); condensed milk, \$52,737 (\$54,816); beer, \$89,537 (\$89,758); chocolate confectionery, \$42,407 (\$46,553); confectionery, n.o.p., \$54,898 (\$58,357); whisky in bottles, \$127,621 (\$108,494); and provisions n.o.p., \$80,595 (\$81,550).

IMPORTS FROM THE UNITED STATES

Imports from the United States in 1939 were valued at \$8,861,863 as compared with \$8,259,800 in 1938 and was the highest value in the history of Trinidad's trade with the United States.

Manufactured products with a value of \$6,749,624 as compared with \$6,478,608 in 1938, accounted for 78.4 per cent of the total value of imports.

Items imported to a total value of over \$50,000 1939, with comparative figures for 1938 within parentheses, were as follows:—

Coke, \$127,287 (\$3,600); steel and iron angles, shapes and sections, \$73,435 (\$205,536); corrugated iron and steel plates, \$71,927 (\$22,760); iron and steel pipes and tubing (up to 6 inches in diameter) \$1,032,075 (\$1,050,523); metal furniture, \$63,327 (\$45,482); manufactures of iron and steel n.o.p., \$193,550 (\$272,724); manufactures of brass and copper alloy, \$168,839 (\$58,228); hardware, other than hollowware, \$52,703 (\$46,217); implements and tools, n.o.p., \$133,784 (\$181,605); exposed films, \$78,203 (\$76,670); wireless apparatus, \$55,740 (\$41,319); electrical goods and apparatus, n.o.p., \$74,452 (\$108,008); agricultural tractors, \$80,215 (\$62,079); electrical machinery, \$50,233 (\$101,143); oil-mining machinery, \$615,901 (\$543,631); oil-refining machinery, \$167,589 (\$245,378); internal combustion engines, \$70,403 (\$139,855); steam engines, \$56,974 (\$18,927); machines and machinery, n.o.p., \$799,855 (\$941,572); printed cotton piece-goods, \$126,380 (\$84,308); women's and girls' apparel, \$79,659 (\$33,595); chemical manufactures, \$167,860 (\$92,228); proprietary medicines, \$80,064 (\$51,844); barytes, \$150,619 (\$153,603); lubricating oil, \$99,369 (\$47,048); printed books, \$64,834 (\$53,175); solid cosmetics, \$61,099 (\$46,513); manufactures, n.o.p., \$79,859 (\$45,758); and motor car parts, \$90,923 (\$72,885).

Foodstuff imports from the United States were valued at \$941,609 as compared with \$750,801 in the previous year, there being an increase in the importation of practically all items usually supplied. The outstanding decrease was in flour, the value of which dropped from \$107,581 in 1938 to \$9,995 in 1939. Following are the principal items of foodstuffs imported, 1938 values being shown within parentheses:—

Manufactured cereals, \$28,941 (\$32,491); oil seed cake and meal, \$118,433 (\$91,078); pickled pork, \$136,038 (\$68,709); dried fruit, \$22,359 (\$15,919); canned fruit, \$12,632 (\$7,841); tobacco, \$330,900 (\$220,438); canned fish, \$39,259 (\$30,978); and provisions, n.o.p., \$34,363 (\$25,454).

Raw material imports from the United States in 1939 were valued at \$1,124,028 as compared with \$991,356 in 1938, the values of the principal items being:—

Coal, \$244,961 (\$271,074); mining and quarry products, \$92,216 (\$34,723); pitch pine, \$610,068 (\$554,544); white oak staves, \$56,549 (\$42,501); and staves, other sorts, \$34,673 (\$70,798).

IMPORTS FROM OTHER FOREIGN COUNTRIES

The main products imported in 1939 from foreign countries other than the United States, with their values, were as follows:—

Germany.—Pottery and clay products: china, \$10,541; window glass, \$8,368; bottles, \$18,901; cement, \$14,352; hollowware, \$40,820; iron and steel manufactures n.o.p., \$16,332; manufactures of brass, \$21,928; oil refining machinery, \$35,624; machinery n.o.p., \$39,437; art silk piece-goods, \$21,809; chemicals, \$18,503; proprietary medicines, \$21,352; and barytes, \$77,744.

Netherlands.—Beans and peas, dried, \$52,963; condensed milk, \$694,954; potatoes, \$24,556; iron and steel pipes up to 6 inches in diameter, \$26,043; and internal combustion engines, \$23,088.

Belgium.—Iron and steel manufactures n.o.p., \$24,653; dyed cottons, \$16,717; and railway wagons, \$98,000.

France.—Tinned butter, \$57,253; olive oil, \$29,189; iron and steel pipes over 6 inches in diameter, \$41,729; and art silk piece-goods, \$28,120.

Japan.—Made-up cottons, \$109,033; art silk piece-goods, \$56,720; piece-goods n.o.p., \$38,542; women's and girls' clothing, \$34,026; and shirts, \$37,082.

Venezuela.—Live cattle, \$176,882.

Argentina.—Frozen beef, \$119,434; pickled beef, \$56,081; and tinned meats, \$34,684.

Brazil.—Cured beef, \$61,633; and bacon and ham, \$44,932.

[Section II of this report, covering Trinidad's trade with Canada, will be published in next week's issue.]

TRADE COMMISSIONERS ON TOUR

Mr. C. S. Bissett, Canadian Trade Commissioner at Havana, Cuba (whose territory includes Haiti, the Dominican Republic, and Puerto Rico), Mr. M. B. Palmer, Canadian Trade Commissioner at Port of Spain, Trinidad (whose territory includes Barbados, Windward and Leeward Islands, and British Guiana), and Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, Jamaica (whose territory includes the Bahamas and British Honduras), are on tour in the Dominion in the interest of Canadian trade with their territories. Following are their itineraries:—

Mr. Bissett

Halifax	July 23	Guelph	Aug. 19
Lunenburg	July 24	Kitchener and district . .	Aug. 20
Fredericton, East Flor- enceville, Grand Falls and Perth	July 26 and 27	Galt and Brantford . . .	Aug. 21
Saint John	July 29	Hamilton and St. Cath- arines	Aug. 22
Grand Manan	July 30	London and district . . .	Aug. 23
Black's Harbour	July 31	Walkerville	Aug. 24
Toronto and district . . .	Aug. 6 to 17	Vancouver and Victoria .	Aug. 29 to Sept. 7

Mr. Palmer

Stratford, Woodstock and Ingersoll	July 22	Walkerville	July 25
London	July 23	Winnipeg	July 29
Chatham and district . .	July 24	Calgary	Aug. 2
		Vancouver and Victoria .	Aug. 6 to 12

Mr. Fraser

Port Hope, Cobourg and Peterborough	July 22	Granby and district . . .	Aug. 19
Belleville and district . .	July 23	Sherbrooke and district .	Aug. 20 and 21
Kingston, Gananoque and Brockville	July 24	Quebec	Aug. 22 and 23
Ottawa	July 25 and 26	Saint John	Aug. 26 and 30
Montreal	July 29 to Aug. 17	Grand Manan	Aug. 27 to 29
		Digby	Aug. 31

Canadian firms who wish to be brought in touch with the Trade Commissioners should communicate, for Montreal, with the Montreal Board of Trade; for Toronto, Winnipeg, Vancouver and Victoria, with the office of the Canadian Manufacturers Association; and for other centres, with the respective Board of Trade or Chamber of Commerce.

UNITED KINGDOM IMPORTS FROM FRANCE

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, June 26, 1940.—The conclusion of an armistice between France and Germany virtually shuts off all trade between the United Kingdom and Western Europe, with the exception of Spain and Portugal. Reports which have appeared in previous issues of the *Commercial Intelligence Journal* have reviewed the nature and extent of the imports which the United Kingdom derived from the various countries affected before the capitulation of France.

As might be expected, the trade relations between the United Kingdom and France were close and extensive. The policy of the United Kingdom Government in recent months, moreover, was to encourage and develop import trade from France as much as possible, and goods of French production received more liberal treatment under the Import Licensing Regulations than those of any other country, notwithstanding the fact that the bulk of French goods consumed in the United Kingdom are of a luxury, or non-essential, character. For this reason French products did not, as a general rule, come into direct competition with Canadian goods.

Total imports from France in 1938 were valued at £22,259,384, of which 52 per cent comprised fully manufactured goods, 24 per cent raw materials and 24 per cent food, drink and tobacco. The following table indicates the value of imports during 1938 of a number of the leading items which are of interest to Canada:—

United Kingdom Imports from France in 1938 of Commodities of Interest to Canada

Food, Drink and Tobacco—

Spirits:

Brandy	£ 930,978
Wine	1,357,083

Fresh fruit and vegetables:

Apples	56,945
Plums, greengages and damsons	35,920
Wheat	269,874

Wheat products:

Meal and flour	52,784
Fish, fresh, cured or canned	144,102
Fruit, not fresh, including nuts used as fruit, and fruit pulp	104,813
Fruit, preserved with added sugar:	

Crystallized, glace or Metz, and drained	234,984
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Raw Materials—

Hides	447,227
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Iron ore and scrap:

Iron ore and concentrates	318,626
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Non-ferrous ores and scrap:

Bauxite	227,647
Scrap and old metal, fit only for the recovery of metal	134,250
Gypsum, unburnt, including alabaster	50,875
Flax, not further dressed and further dressed	68,759

Wood and timber:

Pitprops	451,530
Veneers	366,480

Wool, raw:

Sheep's and lambs' wool	1,463,220
Clover and grass seeds	3,738

Articles Wholly or Mainly Manufactured—

Gloves of leather	139,631
Hats, caps, etc. (including hoods)	117,390
Knitted, netted or crocheted goods (hosiery)	43,892
Outer garments (other than knitted, netted or crocheted goods):	

Women's, girls' and infants' clothing	197,922
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Under garments (other than knitted, netted or crocheted goods) but including corsets, etc.	41,903
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Chemical manufactures and products (other than drugs and dyestuffs)	622,044
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Drugs, medicines and medicinal preparations	118,799
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Cotton manufactures (except apparel and embroidery) and not including piece-goods	145,146
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*Imports of Commodities of Interest to Canada—Con.*Articles Wholly or Mainly Manufactured—*Concluded*

Clocks and parts thereof	£ 80,346
Watches and parts thereof	45,895
Electrical goods and apparatus	118,319
Footwear	38,736
Leather, undressed and dressed	367,517
Machinery and parts thereof	706,862
Iron and steel and manufactures thereof:	
Bars, rods, angles, etc., of steel, other than special steel	327,016
Blooms, billets and slabs of steel, other than special steel	470,387
Pig iron	283,377
Copper	119,831
Paper, cardboard, etc. (other than playing cards)	169,229
Silk manufactures, except apparel	734,920
Artificial silk manufactures, except apparel	661,162
Flax line and tow yarns	105,754
Road vehicles, mechanically propelled and parts thereof (including tires and tubes)	256,589
Wood and timber, manufactures of	125,332
Casein, plain or pigmented	89,987
Gelatine, glue and size	98,719
Haberdashery, hard:	
Buttons	11,746

UNITED KINGDOM FRESH APPLE EXPORT MARKET

W. B. GORNALL, FRUIT TRADE COMMISSIONER

II. Export Season 1939-40

CANADIAN APPLE CROP 1939

For the third year in succession weather conditions throughout the Dominion were generally favourable to fruit production in 1939, and the total commercial yield, provisionally estimated at 5,209,000 barrels, was slightly less than 0.7 per cent below production in 1938 and slightly more than 1 per cent above the crop of 1937. Compared with the average production for the five-year period 1932-36, the yield for 1939 shows an increase of 16 per cent.

Table No. 15

Apple Production in Canada

	Nova Scotia Bbls.	Ontario Bbls.	British Columbia Boxes	Canada Bbls.
1937	2,250,000	745,300	5,798,400	5,153,800
1938	2,190,600	845,400	6,048,600	5,222,400
1939*	2,212,600	865,800	5,825,700	5,207,800
Average 1932-36	1,768,500	804,900	5,035,800	4,489,200

* The figures for 1939 are estimated and subject to revision.

NOVA SCOTIA

Dry weather during the growing period, although offset to a certain extent by rains later in the season, resulted in the sizing of the Nova Scotia fruit being somewhat smaller than normal, and, with the principal varieties affected, the volume available for the export market was expected to be smaller in proportion to the total crop than in the previous year. The provisional estimate of the 1939 crop at 2,212,600 barrels is slightly more than 1 per cent higher than in 1938, approximately equal to the crop in 1937, and slightly more than 25 per cent above the average for the five-year period 1932-36.

ONTARIO

The colour and general quality of the Ontario crop and the size of the fruit were reported good in most districts, and the provisional estimate at 865,800 barrels shows an increase of 2.3 per cent over 1938, 16 per cent more than in 1937, and 7.6 per cent above the five-year average 1932-36.

BRITISH COLUMBIA

Growing conditions in British Columbia were satisfactory for the apple crop, and the provisional estimate at 5,207,800 boxes is only fractionally below production in 1938, slightly more than 1 per cent above the crop of 1937 and 16 per cent above the five-year average.

GENERAL

The volume of the 1939 crop available for export to the United Kingdom, based on the percentage of the crop exported during the past five years, approximated 1,400,000 barrels and 2,200,000 boxes, as compared with 1,678,800 barrels and 2,433,000 boxes actually exported during the previous season.

The prospects for marketing satisfactorily this large volume of fruit were not exceptionally good. The apple crop in England promised to be very large and afterward proved to be of record volume, and the reduction in the duty on foreign apples entering the United Kingdom provided easier access for competitive American supplies. But the situation just after the opening of the export season reached a climax when the European war broke out, and the industry had to be reorganized and export shipments scaled down to meet peculiar and unavoidable conditions.

UNITED KINGDOM FRUIT CROP

The sharp fluctuations from year to year, which are more or less a common feature in fruit production in the United Kingdom, were decidedly emphasized during 1939, when under favourable conditions there was a good yield of all fruit, including a very large crop, if not the largest crop of apples on record, following a year of low production in all sections.

Owing to the reorganization of British Government departments on a war basis, official statistics of fruit crop production for 1939 have not been published and no reliable data can therefore be given; but such information as is available indicates that the apple crop was very large and may have exceeded the record estimate of 21,491,000 bushels for 1934. New plantings are beginning to bear in sufficient volume to affect total production to an appreciable degree, and this situation is supported by the report that the yield of Cox Orange was approximately four times larger than in any previous year. Bramley Seedling also, the principal culinary variety, provided a very large if not record yield that filled gas-storage plants and available cold-storage space to capacity.

No statistical information on other crops is available, but yields are known to have been satisfactory, except perhaps of strawberries, which were adversely affected in certain areas by dry weather at the most important growing stage.

EXPORT MARKET IN THE UNITED KINGDOM

The large apple crop expected in the United Kingdom and the above-average yield in the Dominion, together with the reduction in duty on foreign apples under the United Kingdom-United States Trade Agreement, created several important marketing problems which demanded careful study.

EMPIRE FRUITS COUNCIL

To enable the whole question to be discussed in detail, the Empire Fruits Council called a conference of the Empire fruit industry, which met in London

from June 21 to 30. The conference was attended by representatives of Great Britain, Canada, Australia, New Zealand, South Africa, and Rhodesia. The discussions were of an exceptionally friendly and helpful character and indicated the ability of an Empire industry possessing a common market to organize and control its affairs in the best interests of the whole.

With regard to fresh apples, the most important product under discussion and of the greatest interest to Canada, it was unanimously agreed that the following recommendations should be submitted to the member organizations in various parts of the Empire:—

United Kingdom.—That in order to facilitate the development of the present system of regulating supplies of Dominion fruit to the United Kingdom market, home growers should explore the possibility of securing the introduction of statutory powers to regulate the grading and marketing of their apples and pears.

Canada.—(1) That the export of Gravenstein should be kept to as low a tonnage as possible; (2) that while under the existing system of qualitative regulations no specific undertaking could be sought with regard to quantity exported, regulations similar to those in effect during the season 1936-37 should be made operative; (3) that with the exception of the varieties Cox Orange, Jonathan and Delicious, the export of "C" grade apples should be prohibited during the months of September to December inclusive.

Australia and New Zealand.—(1) That the regulation of exports on a qualitative and quantitative basis be continued; (2) that the 1938 quota be submitted as a basis for 1940 for the consideration of the Australian and New Zealand authorities; (3) that as far as practicable no shipments should arrive later than July 31.

South Africa.—That total shipments should not exceed the 1936 shipments (91,000 cwt.).

OUTBREAK OF HOSTILITIES

The recommendations of the Empire Council were considered and accepted without amendment by the fruit export interests in Canada, but the outbreak of war with Germany entirely altered the marketing outlook, and the export program had to be radically changed.

War found Nova Scotia with the first cargo of the season, approximately 14,000 barrels, loaded and ready to leave, but the sailing date was postponed, and subsequent perambulations of the steamer resulted in discharge at Liverpool over a month later. The fruit, largely Gravenstein, was in an exceptionally wasty condition, and several thousand barrels had to be destroyed as unfit for human consumption.

The export situation rapidly deteriorated, and stowage space on all available steamships, particularly those operating from Atlantic ports, was greatly restricted; neutral ships were withdrawn from service, chartered bottoms were cancelled, and it soon became evident that the volume of fruit for export would be severely curtailed.

The situation was further complicated by the loss of the German and other Continental markets, and sterling-dollar exchange, Canadian and American, quickly became a dominant factor which, together with the shipping position, necessitated the control of imports of Canadian and American fresh apples into the United Kingdom.

REDUCTION OF EXPORTS: QUOTAS

On November 15 an order was issued by the British Board of Trade prohibiting the importation of fresh apples except under licence and stating that until further notice no licences would be issued. However, such fruits consigned from any part of the British Empire were permitted importation under an open general licence according to which trade could be carried on in a normal manner. The situation, however, demanded curtailment of the normal movement of fresh apples from Canada, and, by agreement with the British Government, the total exports to the United Kingdom for the 1939-40 season were restricted to 1,350,000 cwts. (112 pounds), which was 50 per cent of the average movement for the two previous seasons, 1937-38 and 1938-39.

Imports of United States apples also were prohibited subsequent to November 20, as no licences were to be issued until further notice. Under normal trading conditions, however, importers in the United Kingdom had established irrevocable credits in the United States, and it was agreed that where such credits had been established prior to November 20 and evidence satisfactory to the appropriate Customs Authority could be submitted, the fruit involved would be permitted entry.

The export situation in Nova Scotia failed to develop to a point even approaching the quota allotted to the Province, and the lack of shipping space very seriously curtailed the export volume, with the result that total arrivals in the United Kingdom to the end of December, estimated at 272,700 barrels, were 76.5 per cent below the 1,164,000 barrels which arrived during the same period last year, and 73.5 per cent below the average for the past two years.

British Columbia experienced severe restriction in movement at the commencement of the season, but later was able to command considerably improved shipping facilities on both Atlantic and Pacific seaboard, and space on steamers out of New York also became available. Thus the province was able to maintain export volume at a fairly high level, and deliveries to the United Kingdom by the end of the year amounted to 1,183,000 boxes, approximately 32 per cent below the volume for the same period of the preceding year and 23 per cent below the two-year average 1937-38.

Ontario, with a comparatively small volume of fruit available for export, was able to obtain sufficient shipping space via Montreal, Saint John, or New York to deliver 35,600 barrels of apples, including other types of packages, to the United Kingdom by the end of the year. This quantity approximates 50 per cent of the volume delivered during the similar period a year before, and 45 per cent below the average for the preceding two years.

IMPORTS OF FRESH APPLES INTO THE UNITED KINGDOM

From the beginning of the season to December 31, the total imports of Canadian apples into the United Kingdom approximated 308,300 barrels and 1,183,000 boxes, including other types of packages. In the absence of official statistics, the figures for the United States cannot be given with any guarantee of accuracy but, from information available, imports therefrom are estimated at approximately 180,000 barrels and 543,000 boxes.

The reduction in the total volume of imported apples during this period compared with the same period last year is 69 per cent for barrels and 36 per cent for boxes. Estimated imports for the first half of the season as compared with the same period in previous years are shown in the following table:—

Table No. 16

Estimated Arrivals of Fresh Apples in the United Kingdom

	Sept.-Dec., 1936		Sept.-Dec., 1937		Sept.-Dec., 1938		Sept.-Dec., 1939	
	1,000 Bbls.	1,000 Boxes	1,000 Bbls.	1,000 Boxes	1,000 Bbls.	1,000 Boxes	1,000 Bbls.	1,000 Boxes
Canada	503	1,140	914	1,324	1,265	1,727	308	1,183
United States	175	801	435	771	308	958	180	543

MARKET PRICES

BRITISH COLUMBIA

The season for British Columbia apples opened at Glasgow during the first week in September. A week later there were arrivals at Liverpool, but some considerable time elapsed before London received a direct shipment. Difficulties were inevitable during the organization of the convoy system; cargoes arrived intermittently, some were seriously delayed in transit, and diversions to ports not normally points of primary distribution were occasioned by necessity.

Under the stress and strain of the opening weeks of the war, when devastation from the air was expected to be a more or less common occurrence, large numbers of people were being evacuated from the principal cities, and there was an almost complete stoppage of road transport, a somewhat disorganized condition in the markets could not be avoided. The trade, however, soon adapted itself to the changed conditions.

Delay in ocean transit at the beginning of the season reacted unfavourably on the condition of the early varieties, and values fell to rather low levels. Wealthy, however, improved later, and the average selling price at 9.62s. per box was slightly higher than the average of 9.26s. for the preceding year.

McIntosh Red first appeared on the market during the early part of October, followed almost immediately by the Jonathan and three weeks later by Delicious. Market values fluctuated considerably from week to week, but the general tendency was upward, and the average selling price at auction, including all varieties, grades and sizes, for the period up to the end of the year was 1.39s. or 14 per cent higher than the average for the whole of the previous season. The recorded average price for the period September-December, 1939, was 11.30s. as against 9.91s. for the 1938-39 season.

During this period costs were rising, ocean freight rates advanced sharply, handling charges increased, and war-risk insurance added a fairly heavy burden, but the increase in average selling values lagged somewhat behind.

Wealthy showed only a very slight rise in price compared with 1938, but this variety moved under the lowest freight cost of the season. McIntosh, Jonathan, and Delicious, although reaching the market later and for a much longer period, obtained higher prices but failed to reach average levels commensurate with the extra cost involved. These three varieties provided the bulk of supplies, the others being in comparatively small volume. The average prices received at auction for the principal varieties were as follows, comparative average prices for the 1938-39 season being shown within parentheses:—

Table No. 17

Average Auction Prices for Principal Varieties

	Ex. Fancy	Fancy	"C" Grade
Wealthy . . . . .	.....	9.62 (9.26)	.....
McIntosh	11.54 (10.45)	11.02 (9.80)	.....
Jonathan	11.68 (10.30)	11.51 (9.53)	10.28 (8.70)
Delicious	12.64 (11.33)	11.68 (10.44)	.....

NOVA SCOTIA

The season for Nova Scotia apples opened at Glasgow during the last week of September, two weeks later than normal, with the arrival of a neutral steamer carrying slightly more than 12,000 barrels. This steamer, accepting the risk without convoy, successfully made the voyage in normal time and delivered her cargo well ahead of other steamers which were loaded and ready to leave at an earlier date. The fruit was landed in good condition, and moderate prices were realized.

The first cargo to be loaded, however, had an unfortunate and different experience. The ship, which was ready to sail on the outbreak of war, did not deliver the cargo at Liverpool until one month later, and the fruit, largely Gravenstein, was landed in very bad condition, and a considerable tonnage had to be destroyed.

After the initial disturbance to shipping pending the organization of the convoy system, the situation became easier, and cargoes began to arrive with more regularity and less time in transit, but deliveries were largely concentrated at Liverpool. Another neutral steamer also delivered its cargo in normal time. Shipping difficulties, however, soon developed, and as the season progressed

the movement of fruit became more and more restricted until by the end of the year arrivals in the United Kingdom were less than 300,000 barrels as compared with a normal movement of over 1,000,000.

Facing competition from a very large English crop, initial values at the opening sales were at rather low levels but, as the season progressed and a definite shortage in imported apples became manifest, prices improved to a marked extent, ranging between 20s. and 30s. per barrel.

The restriction in the export movement arising from the quota and difficulty in securing shipping space resulted in shipments being confined to selected varieties and to No. 1 grade, except for special dessert types such as Cox Orange, Golden Russet, and a few others in volume of lesser importance.

Average prices in shillings per barrel received at auction, all markets included, for the leading varieties were as follows:—

Table No. 18

Average Auction Prices for Leading Varieties on All Markets

	No. 1 GRADE		
	2½" Up	2¼"-2½"	2"-2¼"
	Shillings per Barrel		
Gravenstein	12.45	11.88	9.36
Wealthy	18.25	16.32	11.44
Ribston	16.30	16.77	15.42
Blenheim	15.71	13.86	.....
Baldwin	23.19	22.38	.....
King	22.73	22.34	.....
McIntosh Red	24.23	23.83	18.80
Wolf River	12.71	11.64	.....
Jonathan	27.71	28.48	18.80
Cortland	23.62	23.30	.....
Golden Russet	27.46	27.13	27.03
Cox Orange	23.12	23.56	19.04
Delicious	23.79	24.55	.....
Wagner	22.02	23.33	21.49

ONTARIO

With a reduction of 50 per cent in the arrivals of barrelled apples from Ontario and the general reduction in total supplies of imported fruit, the market responded in fairly ample measure, and the average auction selling price at 26·76s. per barrel was 5·34s. higher than the average for the season 1938-39. With high ocean freight rates and war-risk insurance, the increase in price cannot be considered extraordinary, and perhaps reflects the higher costs of carrying on the trade.

The records of auction sales available show that at least 28 varieties were placed on the market, which realized an over-all average price of 26·76s. per barrel, including all varieties, grades and sizes. The results recorded at auction sale for the leading varieties were as follows:—

Table No. 19

Average Auction Price for Principal Varieties

	No. 1 GRADE		
	2½" Up	2¼"-2½"	2"-2¼"
	Shillings per Barrel		
McIntosh	20.46	19.45	18.05
Spy	25.61	24.82	.....
Greening	24.63	21.00	.....
Jonathan	32.66	30.96	28.52
Snow	27.68	26.69	24.67
Baldwin	27.48	28.04	.....
Ben Davis	22.71	25.87	23.57
King	27.61	27.00	.....
Ribston	20.74	19.99	12.98
Golden Russet	31.79	30.16	26.26

OTHER EUROPEAN MARKETS

The movement of Canadian apples to European markets other than the United Kingdom was confined to the 1938 crop and took place mainly during the early months of 1939. With the outbreak of war these markets ceased to function, and there is no record of any movement from the 1939 crop except a small quantity of British Columbia boxes to Scandinavia early in the 1939-40 season. Export shipments for the season 1938-39 advanced by approximately 75 per cent over the figures for the previous season, the barrel movement from Nova Scotia increasing by nearly 94 per cent and British Columbia boxes by 29 per cent.

Germany provided the largest outlet, and under the Payments Agreement plan purchased 108,426 boxes and 100,780 barrels from the 1938 crop, which were delivered during the early months of 1939, an increase of nearly 14 per cent in boxes but a decrease of 4 per cent in barrels as compared with the movement from the 1937 crop. Shipments of British Columbia apples to France increased by 25 per cent as compared with the previous season, and Scandinavian countries received a somewhat larger number of boxes and barrels than for several years past. Belgium and Holland were buyers of appreciable quantities of Nova Scotia barrels after being out of the market during the season 1937-38, and Poland became an active buyer towards the close of the season, when appreciable quantities of British Columbia boxes were purchased in the United Kingdom for transshipment.

Table No. 20

Export Shipments to European Countries

	1935-36		1936-7		1937-8		1938-9	
	B.C. Boxes	N.S. Bbbs.	B.C. Boxes	N.S. Bbbs.	B.C. Boxes	N.S. Bbbs.	B.C. Boxes	N.S. Bbbs.
France.. . . .	37,676	4,385	11,441	1,200	16,632	....	20,742	....
Belgium .. . . .	....	2,190	....	25,350	....	....	....	47,590
Holland.... . . .	....	....	....	27,040	....	....	....	23,680
Germany.. . . .	....	100	....	92,760	95,730	93,640	108,426	100,780
Sweden and Norway.. . . .	8,316	10	....	600	500	....	4,618	....
Denmark .. . . .	....	....	....	....	....	....	3,024	6,600
Finland .. . . .	....	....	....	....	....	200	....	....
Poland .. . . .	....	....	....	....	....	300	8,778*	3,801*
Total.. . . .	45,992	6,685	11,441	119,600	112,862	94,140	145,588	182,451

* Includes re-exports from the United Kingdom.

RE-EXPORTS FROM THE UNITED KINGDOM

A not altogether unimportant feature is the re-export of Canadian apples from the United Kingdom. Since statistics are published in tons, and countries of destination are not given, it is rather difficult to provide complete information on this particular aspect of the market. The figures published indicate that the re-export of Canadian apples varies considerably from year to year, and may on occasion assume appreciable volume.

Official statistics in long tons converted on the basis of 45 boxes to 1 ton show that re-exports in 1938 totalled 56,000 boxes as against 34,600 boxes in 1937, 42,600 boxes in 1936 and 62,600 boxes in 1935.

IRELAND

It has long since been the custom of buyers in Ireland to purchase apples at Liverpool and occasionally elsewhere in the United Kingdom rather than import supplies direct from the country of origin, and in consequence imports direct from Canada are negligible.

No definite information is available indicating the extent to which Canadian apples participate in this movement, but during recent years considerable ground has been lost, due largely to the tariff of 1d. per pound and to a price advantage in favour of the American apple.

Available statistics of imports of fresh apples into Ireland are for calendar years and do not show the country of origin; they include Canadian, American and English supplies. Figures for 1939 are not available, but imports in 1938 amounted to 37,620 boxes as compared with 19,080 boxes in 1937, 24,885 boxes in 1936 and 7,965 boxes in 1935.

Owing to the small domestic crop of fruit in 1938 the duty of 1d. per pound was withdrawn from fruit of Empire origin for the period January 1 to March 31 inclusive, 1939. In consequence the Canadian apple enjoyed a virtual monopoly during the duty-free period and, while the volume of re-exports from the United Kingdom is known to be considerably higher than for several years past, the actual figures are not yet available.

POLAND

Poland has seldom provided a market for Canadian apples owing to the prohibitive duty of 200 zloty per 100 kilos, and while for a short period prior to November 15 each year a very low rate of 18 zloty is effective, it is only on rare occasions that Canadian apples are purchased.

Shortage in the Continental apple crop of 1938, however, provided an opportunity, and under the 18-zloty duty level a small shipment of Kings, 1,050 barrels, was imported direct from Nova Scotia. Under the maximum rate of duty no further movement took place, but towards the end of the season a special rate of duty, 35 zloty, was made effective from March 15 to July 31, 1939. Under the impetus of this reduction and the shortage of internal supplies, an active inquiry developed for Canadian stock. Supplies, however, could be obtained only in the United Kingdom; all primary markets contributed and sales amounted to 8,778 boxes and 2,751 barrels.

PEARS

The United Kingdom import regulations affecting fresh apples apply in equal measure to pears. When consigned from Empire territory pears may be imported under open general licence, but when shipped from a foreign country importation is prohibited except under licence. While the entry of Canadian apples was free of licence, it was found necessary to apply a tonnage quota; but owing to the smallness of the Canadian supply of fresh pears in relation to average annual imports, no quota was imposed and free movement was permitted. Notwithstanding this free movement, the quantity delivered to the United Kingdom from the 1939 pack up to December 31 was reduced by approximately 30 per cent as compared with the same period in 1938 and was 8.5 per cent below the average for the four-year period 1935-38.

In a normal year the pear export movement from Canada is completed by the end of the year in which the crop was produced, but arrivals in the United Kingdom from the 1939 crop were likely carried over into 1940; however, the quantity has been more or less insignificant.

The imports of Canadian pears into the United Kingdom in recent years, all packages in terms of standard pear boxes, were as follows: 1939, 65,894 boxes; 1938, 92,990 boxes; 1937, 68,860 boxes; 1936, 52,606 boxes; 1935, 73,799 boxes.

BLUEBERRIES

For several years experimental shipments of blueberries have been forwarded from Eastern Canada to the United Kingdom with very satisfactory results,

and from the experience gained in 1938, when the movement reached 357 hundredweights, it was expected that a largely increased quantity would be shipped during the 1939 season. Arrangements were made for substantial shipments to Manchester and Hull, the principal distributing centres for blueberries imported from Continental countries. Experimental shipments also were to be continued on a larger scale to London, which last year had shown signs of developing into a sizeable market.

The season opened with the threat of war, and the commencement of hostilities a short time later prevented further development of the market for the Canadian product. Experience gained during the past few years, however, will not be lost, and when peace is restored the market will be available, with perhaps a much better opportunity for expansion.

CANNED FRUITS

Re-organization arising from wartime conditions has brought canned fruits within the activities of the Fruit Trade Commissioner, and it is possible to submit a few observations on the export movement to the United Kingdom.

The outbreak of hostilities affected certain contracts entered into by Canadian packers, particularly in Nova Scotia, which contracts failed to provide protection against the increased costs inevitable to war conditions; but the buyers, appreciating the difficulties, agreed to accept the responsibility.

An important feature is the step-up in the grade from Standard to Choice of canned apples in No. 10 tins, a change brought about by improved raw material available to the packers from the fruit-packing warehouses. The unavoidable restriction in the export shipments of fresh fruit from Nova Scotia placed a large volume of graded apples at the disposal of the packers, and improvement in the grade of the canned product was a natural sequence. This improvement in pack has been followed by a big increase in the export movement from 341,799 cases in 1938 to 644,430 cases in 1939, or nearly 90 per cent, due largely to improved demand for wartime catering purposes facilitated by the better-quality pack.

All other fruits show big increases over last year; pears were in the largest volume, followed by peaches, loganberries, cherries, and plums. For the calendar year 1939 the total quantity exported to the United Kingdom, as recorded by the Dominion Department of Agriculture, was 1,387,689 cases, as compared with 731,979 cases in 1938, an increase of slightly more than 89 per cent.

The export movement of the various fruits for the calendar years 1939 and 1938 was as follows:—

Table No. 21

Exports of Canadian Canned Fruits to the United Kingdom

	1938 Cases	1939 Cases
Apples	341,799	644,430
Pears	278,059	526,015
Peaches	49,155	98,187
Cherries	16,007	30,032
Plums	861	12,243
Strawberries	364	2,435
Raspberries	1,232	618
Loganberries	38,070	69,149
Other berries	1,483	1,631
Apricots	3,199	2,946
Other kinds	1,750	3
Total	731,979	1,387,689

PROCESSED FRUITS

STRAWBERRIES

Owing to lack of official statistics, it is impossible to give the total tonnage of processed (SO₂) strawberries imported into the United Kingdom in the calendar year 1939, but official data covering the first seven months (January-July) indicate that imports reached 153,270 cwts., as compared with 148,199 cwts. for the same period in 1938. Figures of imports for the balance of the year have not been published; while difficult to estimate with any degree of accuracy, it is quite possible that at least 225,800 cwts., the average annual imports for the four-year period 1935-38, were reached.

The export movement from Canada in 1939 is reported at 14,954 barrels, representing approximately 46,758 cwts. (112 pounds) of fruit, as compared with 13,375 cwts. in 1938, the highest figure previously recorded. The average annual imports of strawberries from all sources of supply for the four-year period 1935-38, amounting to 225,800 cwts., may be considered the normal annual requirements of the jam manufacturers in the United Kingdom. Of this quantity Canada supplied approximately 20 per cent in 1939 as compared with a 6 per cent maximum for any previous year. This growing participation in the market by Canada may be retarded to some degree by wartime conditions, but the hold which the Canadian packer has obtained in the market will not be lost.

With few exceptions the condition of the Canadian pack gave satisfaction to the buyer, but in certain instances criticism appeared to be justified, as the fruit on delivery was found to be broken down and of a soup-like consistency. There was great variation in the condition of individual barrels in such shipments, and in an effort to determine the cause full particulars together with samples were forwarded to the Canadian Department of Agriculture.

OTHER FRUITS

Raspberries, black currants, plums, apricots, blackberries, and red currants, were included in the processed fruit sold to the United Kingdom during 1939. Raspberries predominated, with 3,662 barrels or 11,450 cwts.; the balance comprising 3,038 barrels or 95,000 cwts., consisted of 60 per cent plums, with the other fruits in varying quantity.

Table No. 22

Exports of Canadian Processed Fruits to the United Kingdom

	1938 Bbls.	1939 Bbls.
Strawberries	4,452	14,954
Raspberries	2,383	3,662
Plums	123	1,802
Apricots	76	617
Black currants	329	490
Blackberries .. . . .	....	83
Red currants .. . . .	....	46
Total	7,363	21,654

APPLE PECTIN

Canada is the principal source of supply of fruit pectin, providing more than 90 per cent of the annual requirements of the market in the United Kingdom, and for the two-year period 1937-38 average imports from Canada amounted to 43,412 cwts. out of total imports of 48,143 cwts.

United Kingdom statistics for the whole of 1939 are not available, but the extent to which consumption may have improved is indicated by the

official record for the first seven months, which shows that total imports were 35,399 cwts. as compared with 27,851 cwts. for the corresponding period of 1938, an increase of approximately 30 per cent. Of these weights Canada supplied 33,743 cwts. and 25,528 cwts. respectively.

Canadian shipments of fruit pectin to the United Kingdom, as reported by the Dominion Department of Agriculture, totalled 14,069 barrels and 33,806 cases as compared with 9,083 barrels and 42,696 cases in 1938. The relation between case and barrel in respect of liquid content is not known, but the 50 per cent reduction in the case movement is undoubtedly offset in good measure by the increase of 44 per cent in the number of barrels. Thus Canadian shipments in 1939 are likely to have been considerably larger in total volume than in 1938.

APPLE JUICE CONCENTRATE

There are spasmodic exports of apple juice concentrate. No separate statistics are available, however, to indicate annual movement, as they are included in the figures for fruit pectin. Towards the close of 1939 a shipment of 65,000 gallons, or 1,300 barrels, was made from Nova Scotia, but except for this specific instance no information is available.

DRIED APPLES

A rather serious interruption to the marketing program and a very material increase in the production of dried apples in Nova Scotia has been brought about by the war. In previous years production was on a comparatively small scale, the quality of the pack was the lowest, the raw material was largely apples unsaleable as fresh fruit, the principal market was Germany under the Payments Agreement, and only a very small tonnage was sold in the United Kingdom.

Wartime conditions brought about a serious reduction in export shipments of fresh fruit, mainly from Nova Scotia, which necessitated the taking over of a large tonnage of fruit by the dehydration plants. With a superior quality of raw material thus provided, the quality of the processed product has been stepped up, and Choice grade dried apple rings are available in large quantity for the export market.

As the principal market, Germany, was closed, it was necessary that suitable outlets be found elsewhere, but inquiries in the neutral European countries proved fruitless. Only the United Kingdom provided a potential market for an appreciable tonnage.

Immediately after the outbreak of war dried fruits were placed under the control of the Ministry of Food; all stocks were requisitioned, and the Ministry became the sole buyer. An invitation to quote on 250 tons for immediate shipment, with possibility of a further shipment a week or two later, was received from the Ministry early in the season. Unfortunately it was not possible for Canada to take advantage of this opportunity, since the quality required, Choice grade, was not available.

At a much later date samples of Choice grade were received from the Dominion for submission to the Ministry. These were found to be entirely satisfactory, and terms of purchase were agreed to as follows: price, 53s. 6d. per cwt. (112 pounds) landed United Kingdom port, cash against documents, increase in ocean freight rate for buyer's account. Subsequently the Ministry agreed to accept responsibility for war-risk insurance. On the basis of these terms 1,000 tons of Choice quality were offered to the Ministry, but the end of the year brought no decision. A few days later an order for 450 tons of the Nova Scotia pack was authorized and one for approximately 50 tons from British Columbia.

DEHYDRATED VEGETABLES

The outbreak of war brought about many inquiries from Canada concerning the possibilities of marketing dehydrated vegetables in the United Kingdom for military, naval and other catering purposes. One Canadian firm had obtained very satisfactory results through its agent in the United Kingdom; samples of dehydrated vegetables were supplied to the Admiralty and a substantial order was received for strip potatoes packed in steel water-tight drums. The order was subsequently cancelled owing to a change in catering policy and not to any unsatisfactory quality of the product.

Investigations in trade channels failed to provide any promise of demand for dehydrated products, and inquiries at military catering establishments yielded negative results.

Some disappointment has no doubt been occasioned to certain packers, actual or potential, by the failure of the market to develop a demand for dehydrated vegetables, their expectations being based on experience during the war of 1914-18. Conditions, however, have changed, the canned vegetable has gained a place on the market, a large and expanding industry has been organized in the United Kingdom, and naval, military and other services have found the canned vegetable, under active service conditions, to possess important advantages over the dried product, quickness and ease in preparation being a vital factor in its favour.

It is not anticipated that the war will develop any material demand for dehydrated vegetables unless hostilities spread into areas where the dehydrated product would be more suitable under prevailing conditions.

As raw material for the manufacture of certain food products, Canadian dehydrated vegetables, particularly in the powdered form, may successfully replace the product normally imported from European countries. Onion, carrot, tomato, celery and turnip (swede) are the principal types of powder mostly in demand. Canada came late into the market in the 1939 season, with little opportunity of finding an immediate outlet, but the possibilities of developing export tonnage in powdered vegetables are good for any packer willing and able to offer competitive prices.

FEEDING STUFFS AND THE SCOTTISH FARMER

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Glasgow, June 12, 1940.—The introduction of controlled prices in this country caused the home market for agricultural products to become more assured and stable. But the farmer still finds himself faced with two big problems—the risk of rising costs and a shortage of imported feeding stuffs.

In recent years this country has come to depend more and more upon imported feeding stuffs for the maintenance of live stock and the production of meat, milk and eggs; but because of the wartime need to conserve both shipping space and foreign exchange, the authorities last November issued a warning that supplies of feeding stuffs for pigs and poultry would have to be cut down by at least one-third. While this created consternation among pig and poultry farmers, it became difficult to get supplies for other classes of live stock as well. Dairy cattle are given first preference, followed by beef cattle and sheep, with pigs and poultry far below.

The latest official pronouncement early in June held out no hope of improvement in imported supplies next winter, and warned pig and poultry producers to curtail breeding and hatching. On the other hand it promised definite terms as to the returns producers will receive for their crops and animal products. This promise was linked with a recommendation, agreed to by

leaders of both farmers and workers in England and Wales, for a minimum weekly wage of 48 shillings. It is assumed that the Scottish minimum rates would be correspondingly increased.

In view of the stoppage of supplies of bacon and eggs from such countries as Denmark, Poland and Holland, it may seem surprising that the British Government have so drastically curtailed imports of the feeding stuffs necessary to produce them. The fact is, however, that the production both of bacon and eggs requires a high percentage of cereals and cereal offals, of which about two-thirds are normally imported, and it is felt that freight should be reserved for the less bulky finished products rather than for the raw materials necessary to produce them. Under present conditions the only producers of these important food products who can afford to maintain and, perhaps, expand output, are those who produce also most of their own feeding, viz. in Scotland the general farmers and the crofters. Scotland will need not only all the eggs that can be produced at home next winter, but also large imports from Canada and Ireland. By rationing and by imports from Canada and elsewhere it will no doubt be possible to adjust the demand for, and the supply of bacon.

The extent to which Scotland is normally dependent upon imported supplies of bacon and eggs is shown by the following tables, which give quantities imported in 1938:—

Imports of Bacon into Scottish Ports in 1938

	Cwts. of 112 Lbs.
Total	153,803
Denmark	106,344
Ireland	22,819
Holland	15,255
Canada	7,617
Sweden	1,682
Others	86

Imports of Eggs into Scottish Ports in 1938

	Great Hundreds
Total	3,220,123
Denmark	1,229,070
Ireland	668,105
Poland	345,579
Holland	379,209
Australia	154,236
Finland	145,682
Roumania	61,938
Canada	60,542
Sweden	47,592
Belgium	39,209
China	32,217
Others	56,744

IRELAND'S IMPORTS FROM NORWAY

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, June 24, 1940.—Trade between Norway and Ireland has been one-sided and not very extensive. Ireland's exports to Norway have been confined mainly to a few horses, and imports from Norway limited almost exclusively to paper, fish, and fish products. Imports from Norway, according to Irish official statistics, in recent years averaged about half a million dollars a year and exports to Norway about \$15,000.

Imports from Norway under the heading of paper—the chief import group—consisted largely of newsprint, cardboard, writing paper, M.G. kraft wrapping paper, absorbent cellulose tissue, and greaseproof papers. Before 1938 Ireland also imported from Norway a considerable quantity of dried wood pulp, both

sulphite and sulphate, in bales for use by the several paper mills in the vicinity of Dublin, which have been manufacturing many kinds of paper from imported raw materials.

Imports of fish consisted of fresh, smoked, and frozen fish, chiefly halibut, cod, and haddock, and of canned sardines, herrings, anchovies, etc. Although fish is relatively scarce and expensive, the Norwegian dried salted codfish has not been popular in Ireland; but a small quantity has been sold, mostly in country districts. There have been substantial imports of fish oils, largely cod liver oil, whale oil, and tallow. A few hundred tons of calcium carbide have been imported annually.

The following table from the Irish official statistics shows the quantities and values of the chief items imported from Norway into Ireland in 1937, 1938, and the first eight months of 1939 (no figures being available for the full year):—

	1937	1938	Jan.-Aug., 1939	1937	1938	Jan.-Aug., 1939
	Cwt.	Cwt.	Cwt.	Pounds Sterling		
Total				109,791	110,464	64,479
Fish, fresh or frozen	3,348	6,469	2,521	4,462	7,145	3,116
Fish, preserved	4,351	3,973	1,471	17,336	24,044	6,430
Electrical goods and apparatus . . . . .	....	....	....	2,256	267	....
Poles, telegraph and telephone . . . . .	....	....	....	4,538	18,077	2,777
Fur skins, dressed	No. 318	No. 760	No. 179	1,711	759	777
Rubber manufactures . . . .	....	....	....	2,226	2,367	1,695
Ores, pyrites . . . . .	....	....	6,488	....	....	7,672
Paper:	Cwt.	Cwt.	Cwt.			
Printing	19,977	11,561	20,227	14,381	9,150	12,037
Writing, in large sheets . .	2,005	2,209	2,561	2,440	3,001	2,775
Packing and wrapping, unglazed	1,610	878	7	1,023	1,261	8
Packing and wrapping, glazed	1,327	401	1,037	1,677	464	1,003
Vegetable parchment and greaseproof	3,340	3,089	543	3,659	3,883	641
Cardboard	9,354	6,135	3,858	6,799	4,874	2,640
Other descriptions of paper and cardboard . . . . .	....	....	....	3,054	3,374	1,663
Cod liver oil	3,004	3,364	2,394	6,290	7,046	4,477
Whale oil	5,591	3,817	1,793	8,041	4,719	2,043
Tallow	7,977	9,098	6,078	10,862	10,659	6,955
Calcium carbide	7,529	6,634	5,799	5,048	4,113	3,041

ECONOMIC CONDITIONS IN HONGKONG IN 1939

P. V. McLANE, CANADIAN TRADE COMMISSIONER

(Values are in Hongkong dollars; HK\$1 equals \$0.28 Canadian.)

Hongkong, June 12, 1940.—Hongkong is the centre upon which converges for distribution the merchandise of the naturally rich and densely populated territories of South China, and whence radiates a large proportion of the products of the Western World destined for the Oriental consumer. In the neighbouring province of Kwangtung alone the needs of forty millions must be provided for.

Through well-established business houses flow the varied imports and exports—the trade life of this potentially rich market. The prosperity of the Colony is built on this trade, and is therefore dependent first on conditions in China and secondly on shipping facilities.

The continuation of the Sino-Japanese hostilities and particularly the virtual closure of the ports of Canton, Swatow, and Foochow have been serious blows to the trading community of Hongkong. Depreciation of the Chinese

currency has been an additional handicap. However, despite transportation difficulties, military interference and fluctuating currency, goods have continued to flow inward and outward in astonishing volume. Much credit is due to the persistence of individuals, but the Chinese Government itself has done everything in its power to develop new trade routes to the interior following loss of former ones. These were found in French Indo-China, Kwongchow, Macao, and Burma, and thence goes an increasing volume of shipments from Hongkong.

The European war has further dislocated shipping and cargo deliveries and, while it is impossible to forecast the future development of trade and commerce, the fact that goods have continued to move during the last year justifies a certain amount of optimism for the future well-being of the Colony.

FOREIGN TRADE

The total trade of Hongkong in 1939 was valued at HK\$1,127,600,000, as compared with HK\$1,130,000,000 in 1938. Imports totalled HK\$594,200,000 as against HK\$618,100,000 in the preceding year. Purchases from China amounted to HK\$223,207,000, from the British Empire to HK\$81,821,000, and from all other countries to HK\$289,171,000. Exports were valued at HK\$533,385,000 as compared with HK\$511,900,000 in 1938. Direct shipments to China were valued at HK\$90,219,000, to the British Empire at HK\$106,898,000, and to other countries at HK\$336,268,000. In 1938 exports to China were valued at HK\$230,727,000, and in 1937 to HK\$192,401,000. The reduced 1939 total shows the effects of the Japanese control of Chinese ports. However, goods continued to reach the interior of China through new avenues, principally Macao, Burma, Indo-China, and Kwongchow, the total value of exports to these countries having increased by some HK\$100,000,000 in 1939.

SHIPPING

According to the shipping returns of the Statistical Office of the Imports and Exports Office of Hongkong, 3,698 ocean steamers with a total tonnage of 11,006,785 arrived in Hongkong during 1939 as compared with 3,554 ships of 11,068,441 tons in the preceding year. During the same period 3,811 river steamers of 3,349,738 tons arrived as against 3,393 ships of 3,316,342 tons in 1938. In addition thousands of junks operated between Hongkong and Canton and other coast points.

The general condition of the freight market was somewhat erratic throughout the whole of 1939. Business began well for ship-owners at the beginning of the year, but showed a downward tendency from February to August. There was an upward turn in September, after the outbreak of war in Europe, which was maintained until the end of the year. River shipping was strictly limited, with Japan in control of Canton and in close possession of the China coast. A certain amount of tug and lighter service is reported to have been in operation between Hongkong and Canton, although the traffic was officially forbidden. Bound up with the vicissitudes of the war in China, the future of the Hongkong river shipping trade remains obscure.

Ocean trade has felt the effects of world conditions. At the end of the year a number of British ships had been diverted to other routes and there was a shortage of tonnage. The number of trans-Pacific ships plying between Canada and Hongkong had been so reduced that shipping space was at a premium.

SHIPBUILDING FACILITIES

The local shipbuilding yards have excellent facilities for general engineering and repairs, and the number of employees on this work reaches a total of approximately 30,000. During 1939 two 10,000-ton vessels were launched as well

as several other ocean-going and smaller craft. The British Navy has played an important part in the history and development of Hongkong, and the well-equipped dockyard is the main storing and repairing base for the China squadron.

AIRPORT FACILITIES

Kai Tak Airport, situated on the northern shore of Kowloon Bay, has facilities for both land and marine aircraft and for day and night flying. At the beginning of 1939 there were five air lines operating into and from Hongkong. These were: Imperial Airways (bi-weekly service between Hongkong and Europe), Pan American Airways (once weekly trans-Pacific service), Air France (once weekly service between Hongkong and Europe), Chinese National Aviation Co., and Eurasia Aviation Corporation (irregular services, owing to Sino-Japanese hostilities, between Hongkong and the interior of China with connections to French Indo-China). There was a slight decrease in activity as compared with 1938, due to restriction of aircraft flights over Japanese-occupied territory and the reduced schedules maintained by some of the companies immediately after hostilities broke out in Europe.

Figures for 1939 are as follows:—

	Passenger No.	Mail Tons	Freight Tons
Arrivals	3,611	90.9	21.2
Departures	2,550	86.5	85.2
Total	6,161	177.4	106.4

GOVERNMENT FINANCES

Government revenue for the year 1939 was estimated at HK\$40,475,248, and expenditure at HK\$40,409,957. Surplus balances at the end of 1939 were estimated at HK\$13,627,526. The total debt at the end of 1938 was HK\$16,598,000, made up of HK\$4,838,000 four per cent Conversion Loan, 1933, repayable in 1953, against which a sinking fund of £66,937 was held; and HK\$11,760,000 three and one-half per cent Dollar Loan, 1934. The latter is the balance of the original sum borrowed (HK\$14,000,000), which is being repaid by annual drawings at the rate of HK\$560,000 per annum. On the occasion of the presentation of the budget for 1940, the Financial Secretary stated that the desirability of raising the balance of the 1934 loan (HK\$11,000,000) was kept continuously under review, but it had been possible so far to meet loan expenditure by advances from surplus balances without reducing the Colony's cash resources below the required minimum figure.

A committee appointed by the Government to devise means of raising money to help meet the imperial war costs reported in February, 1940, and has recommended special wartime taxes on property, salaries and analogous incomes, and on corporation and professional and business profits in the Colony.

Estimated revenue during 1939 from various sources was placed at HK\$40,475,248.

INDUSTRY

In addition to shipbuilding yards, the Colony has a large sugar-refining plant; a cement works; a rope works; a coal-briquetting factory; many Chinese knitting and weaving factories; soap and perfumery factories; glass-blowing establishments; cigar and cigarette factories of modern type; numerous native factories manufacturing rubber shoes, flashlight torches, firecrackers, vermilion, soy, basket and rattan ware; native boat-building yards; brick and tile manufacturing industries, and so forth. The manufacture of lard is also an important local industry, while several new industries were opened up during the past year, including the manufacture of matches, and of buttons from nuts and coconut shells.

There has been a steady increase in the number of employed in registered factories, and at the end of the year, this number was approximately 57,500. There was no appreciable change in the scale of workers' wages, which in terms of Canadian dollars are extremely low. Payment for piece-work, especially for female workers, continued to be common practice. Employment generally has been fairly steady, although there have been interruptions, due to the difficulty of obtaining raw materials formerly imported from Europe, but this difficulty is gradually being overcome. Owing to the large number of refugees in the Colony, it is impossible to estimate the extent of unemployment.

COST OF LIVING

The Superintendent of Imports and Exports gives the following index numbers of wholesale prices in the Colony of Hongkong during the years 1938 and 1939, together with figures for the first quarter of 1940 as compared with the first quarter of 1939:—

	Calendar Year		Jan.-Mar.	
	1938	1939	1939	1940
Foodstuffs..	131.6	134.9	128.6	158.2
Textiles	116.1	106.2	98.7	131.1
Metals and minerals	147.3	145.0	143.4	191.4
Miscellaneous articles	127.0	125.9	120.9	157.7
Average	130.6	128.0	122.9	159.6

FOOD PRICE CONTROL

With a view to controlling prices of foodstuffs, and preventing profiteering, regulations were introduced by the Government (effective from September, 1939), making it an offence to sell retail any food imported into Hongkong, except from Macao or China, at a price more than 10 per cent above the prevailing retail price for such food in Hongkong on August 31. As from October 5 the percentage increase was raised to 15 per cent in the case of goods originating in non-sterling countries. By notification dated October 20, control was restricted to certain listed articles regarded as essential. In addition it was intimated that, while the permitted percentage increase would be maintained, if it were shown that landed costs of any of these articles had increased to such an extent that the percentage increase would still force the retailer to sell at a loss, the Prices Board would fix maximum prices and notify them in the *Gazette*. Later, or as landed costs rose or fell, adjusted maximum prices would be announced. A Food Controller has been appointed, with authority to advance maximum prices from time to time.

BUILDING AND CONSTRUCTION

There has been nothing outstanding in the construction or building industry, although the building trade has been active due to the demand for living quarters and the extremely high return on capital offering from this type of investment. Government works and defence building were also undertaken towards the close of the year.

BANKING

During the year Hongkong continued to hold its new status as the financial centre for China, and banking institutions enjoyed a profitable period which was enhanced by the gradual accumulation of funds within the Colony. Restrictions on trade in China and Japan, as well as the depreciated currency in China, had adverse effects, however, on the Hongkong banking institutions with branches throughout those countries.

FOREIGN EXCHANGE

The Hongkong Government has authorized several local banks to deal in foreign exchange, and the granting of exchange for ordinary business purposes is left to their discretion. There has been no difficulty in obtaining the necessary funds for the payment of Canadian imports.

While the Hongkong dollar is not officially recognized as being within the "sterling bloc," in practice it is linked with sterling through the functioning of an equalization fund operated by a Board appointed by the Hongkong Government. During the year the Hongkong dollar fluctuated within a narrow margin—the highest rate during the year in terms of sterling being 1s. 2½d. and the lowest 1s. 2⅝d. In terms of non-sterling currencies wider variations were recorded, particularly after the outbreak of war in Europe, when the New York-London cross rate declined. From January to July the T/T selling rate for United States dollars moved between 28⅓ cents and 28⅕ cents, but in September it declined to 24⅝, closing at 24⅕ at the end of the year. Quotations against the Shanghai dollar were erratic throughout the year, ranging from a low of 173 to a high of 347, and closing in December at 311. The only other currency of importance in which appreciable movements were recorded was the Dutch guilder, which averaged 53½ for the first eight months of the year, dropping to 44⅕ in September and closing at the end of the year at 45⅕.

LUMBER TRADE OF HONGKONG

P. V. McLANE, CANADIAN TRADE COMMISSIONER

(All values are in United States currency)

Hongkong, June 4, 1940.—For the year 1939 the total value of lumber imported into Hongkong amounted to \$1,184,545. Owing to the manner in which the trade statistics are recorded by the Hongkong Government, details of the various types of lumber imported into the Colony, with their import values, are not available. However, some idea of the nature and extent of the trade may be gained from the following comments based on the information contained in the official trade returns.

DOUGLAS FIR

The trade in Douglas fir is catered to by United States and Canadian exporters, the former obtaining the bulk of the business on account of their ability to quote more attractive prices.

There has always been a good demand for Douglas fir in this market, particularly No. 3 common boards, principally for use in temporary construction work, but owing to the increase in freight rates from the Pacific Coast and the difficulty which has been experienced in obtaining shipping space, importers have turned their attention to a Philippine Islands wood known as "lauan," which has proved a satisfactory substitute for Douglas fir and sells at a much lower price.

During 1939, 942,780 cubic feet of Douglas fir valued at \$252,295 were imported into the Colony, of which the United States contributed 670,083 cubic feet worth \$177,744, and Canada 272,787 cubic feet worth \$74,800.

HARDWOODS

Hardwoods include apitong, alder, ash, beech, chestnut, duali, elm, green-heart, jarrah, kapore, kruen, lauan, mahogany, oak, poplar and yacal. Total imports in 1939 were recorded at 1,039,492 cubic feet valued at \$239,727. British North Borneo was the principal source of supply with 890,978 cubic

feet valued at \$199,407. Siam was the only other supplier of importance with 125,546 cubic feet valued at \$32,982. Imports from these two countries are obtainable at comparatively attractive prices owing to the short shipping distances to Hongkong and the resultant low freight costs.

Hardwoods are in demand locally for use in all types of permanent construction work, flooring, furniture manufacturing and other work, where a low-priced hard-wearing material is required.

TEAKWOOD

Teakwood is highly regarded locally, and is used extensively for high-grade indoor woodwork and for the manufacture of better-class furniture. Imports in 1939 were recorded at 376,377 cubic feet valued at \$214,115. Siam was the principal source of supply, being credited with 286,155 cubic feet worth \$177,075. French Indo-China and the Netherlands East Indies contributed 67,942 cubic feet worth \$28,110 and 22,280 cubic feet worth \$8,929 respectively.

SOFTWOODS

According to the official index, softwoods include cypress, yellow deals, white fir, kaurie, larch and pitch, although it is understood that imports of cottonwood and birch logs are also recorded under this heading. In 1939 imports totalled 465,722 cubic feet valued at \$111,240. The principal countries of supply were: British Malaya, 166,493 cubic feet (\$40,835); British North Borneo, 145,781 cubic feet (\$28,987); United States, 80,415 cubic feet (\$23,856); and Middle China, 57,315 cubic feet (\$13,514).

CHINA FIR

China fir is principally used in the manufacture of packing cases and crates and for rough indoor woodwork. It is of extremely poor quality, and is in demand only on account of its low price. Total imports for 1939 amounted to 128,475 cubic feet valued at \$24,715. Kwongchowwan was the principal source of supply with 103,025 cubic feet worth \$20,409. North China was the only other participant of importance with 23,509 cubic feet valued at \$3,867.

TIMBER, N.O.P.

No information concerning the types of lumber which are recorded under this heading is available from the official trade returns, and it is therefore impossible to comment on the trade. However, reference to the listed sources of supply, indicates that practically all the imports under this group originate in adjacent countries. No figures for quantities are available, but for the year 1939 the value of imports was \$342,202. Following were the sources of supply in 1939: Siam, \$94,588; British North Borneo, \$87,767; Kwongchowwan, \$42,720; French Indo-China, \$27,574; Middle China, \$25,195; British Malaya, \$13,814; United States, \$13,482; Australia, \$12,255; and Macao, \$9,324.

In contrast to the trade in other types of building materials, re-exports of lumber from the Colony are negligible, and as a result it is estimated that over 90 per cent of the lumber imported into Hongkong is consumed locally.

METHODS OF SALE

As with most bulk materials, sales of lumber are handled in Hongkong by importers, who place orders with their principals on the basis of indents obtained by their brokers from dealers and lumber yards. It is customary for importers to work on a net profit of from 3 to 5 per cent, for which it is often necessary to extend 30 to 90 days' credits to established accounts.

SPECIFICATIONS

In this market, specifications vary according to the types of lumber involved, and it is customary for local importers to provide complete information with respect to dimensions and quality required when despatching requests for firm offers.

TERMS OF PAYMENT

Practically all the lumber business transacted with Pacific Coast exporters is covered by the establishment of irrevocable letters of credit, and this is the only method of payment which is free of financial risk to the shippers. In the case of imports from neighbouring territories, while the bulk of the business is covered by letters of credit, D/P terms are also extended; in a number of instances, where the importing firms have branches in the countries of supply, shipments are made on open order. In general, however, importers are prepared to open irrevocable letters of credit when requested to do so.

QUOTATIONS

It is customary for importers, on receipt of specific inquiries from dealers, to telegraph to their principals for firm c.i.f. quotations; on receipt of these, commissions are added and prices submitted to their inquirers. If accepted, contracts are signed, cabled confirmations forwarded to shippers, and the necessary financing arrangements made with bankers. Invariably c.i.f. Hongkong quotations are necessary and, where no specific shipment is stipulated, it is customary for shippers to indicate the best possible arrangement that can be made.

DUTIES

There are no duties leviable on imports of lumber into Hongkong.

PROSPECTS FOR THE INCREASED SALE OF CANADIAN LUMBER

In the past Canadian exporters have participated in the Hongkong market for the following lumber items: Douglas fir, cottonwood logs, birch logs and barrel staves.

DOUGLAS FIR

The principal demand to which Canadian exporters have catered is for No. 3 common Douglas fir boards, although occasional business has been done in higher-quality planks and squares. The only competition is from the United States, but this has proved sufficiently formidable to retard extensive development of Canada's participation in this trade. A further obstacle during recent months has been the difficulty of obtaining freight space, and as a result some Canadian exporters have found it impossible even to quote on business offering. While local importers are favourably disposed towards the placing of business with Canadian shippers, this will only be possible when quotations are competitive.

COTTONWOOD LOGS

The trade in this type of lumber is comparatively small, but orders are placed regularly by match factories in Hongkong and Macao. In the past Canadian shippers enjoyed a portion of this business, although recently United States shippers have been quoting lower prices and therefore obtaining the bulk of the sales. The specifications of the trade call for freshly cut No. 2 and better grade logs, with top diameters of 10 inches to 20 inches and lengths from 10 feet to 20 feet. Apart from meeting prices, Canadian firms have experienced difficulty in complying with the stipulation regarding top diameters. It is reported, however, that quite frequently orders placed with United States firms for the foregoing specifications are shipped from Canada.

BIRCH LOGS

Regular supplies of birch logs are imported into Hongkong for use by tooth-pick manufacturers. A few years ago Canadian exporters shared in this trade, but latterly the business has been in the hands of United States shippers, owing to their ability to quote more competitive prices. In this wood also it is known that some of their supplies originate in Canada. The specifications of this trade are: No. 1 and better birch logs, 9-inch minimum tops, 11-inch to 13-inch maximum butts, and 12-foot to 20-foot lengths.

BARREL STAVES

One Canadian exporter is doing a small but regular business in high-grade bent staves, but the principal demand in this market is for straight staves, which is catered to entirely by United States exporters. Investigation has proven that this type of stock is not available from Canada at competitive prices. United States firms have an advantage in this business on account of the greater amount of waste material which they have available, such as short ends and pieces from which the staves are made.

The specifications covering this item are as follows: No. 2 clear and better Douglas fir barrel staves, straight, rough kiln/air dried, lengths from $25\frac{1}{2}$ inches to $29\frac{1}{2}$ inches, standard thickness of $\frac{1\frac{1}{8}}{8}$ inch and widths of 3 inches to 4 inches.

In the foregoing review indications of prices have been purposely omitted, as it is considered that they would serve no useful purpose, since Canadian lumber exporters are conversant with current market trends on the Pacific Coast.

Canadian shippers in a position to compete in this market in any of the items listed above are requested to communicate with the Canadian Government Trade Commissioner, P.O. Box 80, Hongkong.

BUSINESS CONDITIONS IN CENTRAL AND NORTH CHINA, JANUARY-MARCH

V. E. DUCLOS, CANADIAN TRADE COMMISSIONER

NOTE.—As the Chinese Maritime Customs returns show import values in customs gold units while exports are given in Chinese dollars at the official rate, it has been necessary in the following report to make conversions of the principal figures into United States dollars. The following exchange values have been used for this purpose:—

Chinese dollar.—Official Customs rate, U.S.\$0.30; Average market rate, January-March, 1939, U.S.\$0.16; Average market rate, January-March, 1940, U.S.\$0.07.

Chinese Customs Gold Unit.—Average rate, January-March, 1939, U.S.\$0.72; Average rate, January-March, 1940, U.S.\$0.68.

1 kilogram equals 2.2 pounds; 1 quintal equals 220 pounds.

Shanghai, May 23, 1940.—In spite of the continuance of abnormal conditions in China and the rapid extension of the adverse influences of the war in Europe, China's trade for the first quarter of 1940 was much more satisfactory from the merchants' standpoint than it has been since the outbreak of the Sino-Japanese conflict in 1937. It was expected that the drastic depreciation in the value of the Chinese dollar would bring about a serious curtailment of imports. Such has not proved to be the case. Actually, imports during the first three months of 1940 were about 60 per cent greater than they were in the corresponding period of 1936, the last full year of peace. While this state of affairs has brought prosperity to many importers, it is a cause of apprehension to experienced observers, as the heavy drain on the foreign reserves of the country needed for the purchase of huge amounts of cotton, rice and wheat flour (which amounted to over 25 per cent of the total imports) must have an adverse effect on the stability of the national currency, which the Chungking Government is fighting to preserve by every means in its power.

TOTAL FOREIGN TRADE

Below are shown the main statistics of China's foreign trade during the first three months of 1940 and 1939, the figures having been converted at the average exchange rates for the respective periods:—

	1940 Millions of United States Dollars	1939 Dollars
Imports	95.0	82.4
Exports	27.8	31.2
Total trade	122.8	113.6
Excess of imports	67.2	51.2

Although Shanghai took the bulk of the raw cotton imports, the adverse balance of trade was not so pronounced at that port alone. This is due to the fact that Shanghai, owing to the closure of the Yangtze Valley and the Japanese occupation of the southern ports, now handles by far the largest part of the country's export trade, 68.49 per cent of the total exports having passed through Shanghai in the first quarter of 1940 as compared with 40.6 per cent in the corresponding period of 1939. Imports into Shanghai alone amounted to U.S.\$37 million while exports totalled U.S.\$19 million. This represented a large increase in both imports and exports over the preceding year.

IMPORTS

Japan continued to hold her place as the largest supplier to China, being responsible, according to the returns of the Chinese Maritime Customs, for U.S.\$24.9 million (36.6 million g.u.) or 26.24 per cent of total imports. Actually, however, the value of imports from Japan was probably much higher, for the figures released by the Japanese Government regarding exports to China are much greater than those shown by the Chinese Maritime Customs, indicating that large quantities of Japanese exports to China are not registered with the customs. The Japanese official report placed China's imports from Japan at 83 million yen during the first two months of 1940, while the Chinese Maritime Customs recorded only 23 million gold units or 65 million yen for the same period.

Imports from some of the principal supplying countries in the first quarters of 1940 and 1939 are shown in the following table:—

	January-March 1940 1939 Million G.U.		January-March 1940 1939 Per Cent of Total	
Total imports	139,817	114,503	100.00	100.00
Japan	36,687	29,778	26.24	26.01
United States	28,801	20,036	20.60	17.50
French Indo-China	12,063	2,776	8.63	2.42
British India	6,513	7,466	4.66	6.52
Germany	4,084	7,644	2.92	6.68
Great Britain	3,977	6,487	2.85	5.67
Canada	423	902	0.30	0.79

It will be noted that 46.84 per cent of the total imports came from Japan and the United States, shipments from European countries having decreased to a large extent since the outbreak of the European War.

Cereals (mainly rice) and wheat flour were the commodities showing the major increase, their combined value being 26.3 million g.u. as compared with 15 million g.u. in the same period of 1939. The values of imports of other important groups, all of which showed large increases over the corresponding period of the preceding year, were: raw cotton, 18 million g.u.; metals and ores, 7.3 million g.u.; vehicles and vessels, 3 million g.u.; fishery and sea products, 3.9 million g.u.; animal products, canned goods and groceries, 2.9 million g.u.; fruits, seeds and vegetables, 4.4 million g.u.; timber, 3.7 million g.u.; and coal, 3.9 million g.u. Among the few items which registered decreases were: wool

and woollen goods, 1.2 million g.u.; silk and manufactures thereof, 3 million g.u.; machinery and tools, 4.8 million g.u.; sugar, 2.4 million g.u.; oils, soap, fats, etc., 13 million g.u.; and books, maps, paper and wood pulp, 5 million g.u.

IMPORTS FROM CANADA

The principal groups in which Canada participated, in order of importance, were paper and wood pulp, timber, metals and ores, cereals and flour, miscellaneous metal manufactures, and fishery and sea products. The following table shows the values of the major imports from Canada and the value of total imports of each item. In addition to these there were small items under the headings of sundry cotton manufactures, vehicles and vessels, dyes, pigments, paints and varnishes, rubber manufactures, toys and games, and sporting requisites.

China's Principal Imports from Canada

	Imports from Canada Gold Units	Total Imports Gold Units
Books, maps, paper and wood pulp	101,437	5,018,264
Timber	69,319	3,729,457
Metals and ores	71,247	7,306,910
Cereals and flour	35,071	26,310,785
Miscellaneous metal manufactures	24,080	3,706,927
Fishery and sea products	20,206	3,878,600
Rubber pneumatic tires for motor vehicles	16,765	397,348
Animal products, canned goods and groceries	8,787	2,865,356
Wines, beer, spirits and table waters	4,507	734,280
Chemicals and pharmaceuticals	2,421	5,356,687
Rubber inner tubes	1,871	48,573
Hides, leather, furs and other animal substances	1,758	684,782
Musical instruments and parts	1,525	21,759
Sundries	16,608	6,050,757

Imports of newsprint from Canada increased from 99 quintals valued at U.S.\$905 (1,257 g.u.) in the first quarter of 1939 to 8,762 quintals valued at U.S.\$58,945 (86,685 g.u.) in the corresponding period of 1940. This increase was due to the interruption in supplies from Germany and Norway, although shipments from Finland increased from 15,085 g.u. to 108,128 g.u. Kraft paper was the only other item of importance to Canada in this group, shipments from the Dominion amounting to 752 quintals valued at U.S.\$9,005 (13,242 g.u.) as compared with 3,859 quintals valued at U.S.\$33,981 (47,196 g.u.) in the first three months of 1939. The total imports of kraft paper into China showed a large decrease, being less than half of the amount recorded during January to March, 1939.

Imports of timber from Canada also showed a marked decline from a total value of U.S.\$226,090 (314,014 g.u.) in the first quarter of 1939 to U.S.\$47,136 (69,319 g.u.) in 1940, although total imports of lumber showed an increase of fifty per cent. Most of this increase was credited to Japan, whose shipments of timber to China rose from 937,903 g.u. in the first period of 1939 to \$2,281,165 g.u. in the corresponding months of this year.

Although the total imports under the heading of "metals and ores" showed an increase, Canada's share of this business fell from U.S.\$173,072 (240,378 g.u.) during the first quarter of 1939 to U.S.\$48,448 (71,247 g.u.) in 1940. This decrease occurred mainly in imports of lead, zinc and aluminium and was doubtless attributable to war conditions and British Empire requirements.

Canada's entries in the "cereals and flour" group consisted almost entirely of wheat flour, although small shipments of "cereals n.o.r." were also recorded. Total imports of wheat flour into China during the period under review rose to U.S.\$3.1 million (4.5 million g.u.) as compared with U.S.\$2.3 million (3.3 million g.u.) in the first part of 1939, although Canada's share of the trade dropped from U.S.\$105,801 (146,947 g.u.) to U.S.\$21,196 (31,171 g.u.) Australia

obtained more than half of this business with imports amounting to 2·3 million g.u., followed by Japan with 1·4 million g.u. The reason for the smallness of Canada's participation was that most of the wheat flour imported was for the North China area, where a critical food situation had arisen owing to the serious shortage of domestic crops resulting from the widespread floods and devastation of the land through the Sino-Japanese hostilities, and cheaper grades of flour were required than Canada could supply.

EXPORTS

The value of China's total exports showed a large increase in Chinese currency from \$194·7 million to \$398·2 million, these being the returns for the first quarters of 1939 and 1940 respectively. This increase was largely offset by the depreciated value of the Chinese dollar, but even after taking this into consideration exports during the first quarter of 1940 were U.S.\$3·3 million in excess of the amount registered for the first three months of the preceding year. The largest increases were recorded in textile fibres, tea, piece-goods, yarn and knitted goods; but all items showed improvement with the exception of fruits, oil, tallow and wax.

According to the returns of the Chinese Maritime Customs, Hongkong was the principal purchaser from China, exports to that territory amounting to U.S.\$6·7 million (Chinese \$95 million). Shipments to the United States were valued at U.S.\$6·2 million (Chinese \$88 million). There is little doubt, however, that a large portion of the goods sent to Hongkong were ultimately destined for other countries, particularly the United States and Canada. British India ranked third on the list of purchasing countries with a large increase (mainly in cotton and silk piece-goods) over the preceding year; Great Britain was fourth, also registering an increase mostly due to larger purchases of animal products and chemicals. Shipments to Germany declined greatly, although strangely they were larger in March than in February. Japan is shown as purchasing goods to the value of Chinese \$22·6 million, but this figure should probably be much larger as the official Japanese statistics show imports into Japan from China at three times as great a value as that in the Chinese Maritime Customs returns. Seventeen per cent of the total exports passed through "Free China" ports, the balance coming from Shanghai and other ports in Japanese occupation.

EXCHANGE

The year opened with the exchange value of the Chinese dollar at approximately U.S.\$0.08. It remained more or less stable at this level with the Chinese New Year celebrations in February. At that time, the announcement of the formation of a new Central Government of China, sponsored by the Japanese with Wang Ching-wei at its head, gave rise to reports of the establishment of a new monetary system to supersede the present Chinese National currency. These reports had a weakening effect, causing the Chinese dollar to drop to a value of U.S.\$0.06½, with a further slump to a slightly lower level on March 1, the date of the inauguration of the new Government.

However, the absence of any official edict as to the establishment of a new bank issue, combined with the announcement of a loan of U.S.\$20 million by the United States Government to the Chungking Government of China, created more confidence, and from the middle of March until the end of the month the Chinese dollar remained fairly stable at around U.S.\$0.06½. In the North, the Federal Reserve Bank currency showed considerable weakness during February and March, dropping at one time to a discount of 18½ per cent below the Chinese National dollar, although it later recovered somewhat. It is believed that this heavy discount on the Japanese-sponsored currency was mainly due to a general flight of capital from the North, involving purchases of National dollar notes with which to acquire foreign capital for hoarding.

During the month of March, in order to check the inflationary tendency brought about by the heavy issue of notes preceding the Chinese New Year, the Federal Reserve Bank withdrew Chinese \$10 million worth of its currency from circulation, thus reducing the Federal Reserve Bank note circulation from Chinese \$500 million to \$490 million in one month.

EFFECTS OF THE EUROPEAN WAR ON CHINA'S FOREIGN TRADE

Increasing signs of the widespread repercussions of the European War on China's foreign trade were apparent during the period under review. The interruption of their normal sources of supply caused many importers to look for Canadian substitutes. Metals and metal products, chemicals, raw materials for paint manufacture, wire dies, all kinds of paper, automobile parts, bakelite, wire ropes, hops and malt are among the many commodities for which inquiries have been received. Although in some instances the Canadian product would not be competitive if European supplies were available, it is hoped that the connections now established will become permanent in many cases. Under present conditions China offers far more opportunities for Canadian exporters than would be available in normal times. Provided the products are obtainable and shipping facilities available, the Dominion should obtain a larger share of China's trade this year than has been possible for many years past.

CONTROL OF EXPORTS FROM CANADA

LEATHER, HIDES AND SKINS

By Order in Council (P.C. 3028) it was ordered that until further notice licences for the export from Canada of leather, hides and skins, other than fur skins, shall be granted only when approved by the Hides and Leather Administrator on behalf of the Wartime Prices and Trade Board.

Collectors and transportation companies are instructed that no leather, hides and skins, other than fur skins, shall be accepted for shipment or released for export unless accompanied by Foreign Exchange Control Board Form B stamped "Approved on behalf of the Wartime Prices and Trade Board" and signed by or on behalf of the Hides and Leather Administrator.

All applications for permission to export leather, hides and skins should be forwarded direct to the Wartime Prices and Trade Board, 107 Sparks Street, Ottawa, on Foreign Exchange Control Board Form B.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

REVOCATION OF CERTAIN OPEN GENERAL LICENCES

With reference to the article in *Commercial Intelligence Journal* No. 1900 (June 29, 1940), pages 1036-41, respecting United Kingdom import licensing, Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, cables that the Import Licensing Department announces that certain Open General Licences (see Appendices II and III in the above-mentioned article) have been revoked as from July 12. The cablegram states that among the goods affected of interest to Canada are the following, all formerly admitted under Open General Licence from any country: Charcoal other than activated and decolorizing; drugs, natural, raw; casein, powder or granular; hose pipes and piping wholly of canvas, fitted or not; and tool handles of wood; also the following formerly admitted under Open General Licence when consigned from British

Empire countries: Buttons, whether finished or not; soap, hard, in bars or tablets (other than abrasive soap and toilet soap).

No further shipments to the United Kingdom of any of the foregoing articles should therefore be made without assurance from the customer that individual import licences are obtainable for specific consignments.

Until complete information as to the extent of the withdrawal of Open General Licences is available, it will be advisable, before shipping any goods formerly under Open General Licence, to ascertain either that they are still admitted without individual licences or that individual licences will be issued.

Australia

CHANGES IN IMPORT LICENSING REGULATIONS

Mr. L. M. Cosgrave, Canadian Trade Commissioner in Sydney, Australia, cabled on July 10 that it was announced that licences would now be issued freely to import fruit wrapping paper (tariff item 334G2); limited if unoled to plain white only; if oiled to coloured but not printed. Fruit wrapping paper is in licensing category B, for which licences have been issued since the restrictions were commenced, on December 1, 1939, for importations from non-sterling countries up to the level of imports from such countries during the base year ended June 30, 1939.

With reference to the paragraph appearing in *Commercial Intelligence Journal* No. 1899 (June 22, 1940) page 992, to the effect that licences would be issued freely for the importation of *Pine Tar Oil* for use in the manufacture of rubber goods, an amendment to the official Order states that such oil is in licensing category B instead of category C as formerly announced.

It is announced that the base year importations (on a value for duty basis) of gas carbon black covered by tariff item No. 404A are to be increased by 100 per cent for the purpose of issuing licences for importations during the present licensing year (December 1, 1939, to November 30, 1940), i.e. licences may be issued up to double the normal level of imports in the base year ended June 30, 1939. The value of any special licence issued is to be deducted from this allocation. Gas carbon black is specified by customs by-laws to be admitted under tariff item No. 404A when for use only in the manufacture of asbestos-cement sheets or slates, cement tiles, synthetic marble, machine milled bricklayers' mortar, boot and stove polishes, electrical dry cells, inks, lacquers, leathercloth, paints, paper, and rubber goods. A declaration by the overseas manufacturer must be furnished in connection with each importation that the black is gas carbon black.

Jamaica

LICENCES REQUIRED FOR IMPORTATION BY PARCEL POST

Jamaica import licensing regulations of October 17, 1939 (see *Commercial Intelligence Journal* No. 1868: November 18, 1939, page 943) were extended on June 20, 1940, so as to require licences for all parcel post shipments from Canada, Newfoundland and foreign countries, thus cancelling an exemption for parcels post shipments up to £5 in value. The notice announcing this change enumerates certain articles for which licences will also be required for imports by parcel post from the United Kingdom and other sterling areas in the British Empire.

St. Vincent

ADDITIONAL CERTIFICATE FOR COTTON AND RAYON WAIVED

With reference to the notice in *Commercial Intelligence Journal* No. 1901 (July 6, 1940), page 34, the Colonial Treasurer of St. Vincent advises that the

additional certificate of origin prescribed in St. Vincent, British West Indies, for cotton and artificial silk piece-goods from the United Kingdom, which had been prescribed on account of foreign goods of this class having been under quota, will no longer be required for imports of these goods from Canada. The usual certificate of origin is still necessary for goods to be entered under the preferential tariff.

United States

DEFINITION OF TERM "PRODUCTS OF AMERICAN FISHERIES"

An Act of the United States Senate and House of Representatives, approved on June 11, 1940, by the President of the United States, limits the definition of the term "products of American fisheries" wherever it appears in the statutes of the United States or in the rulings, regulations, or interpretations of administrative bureaus and agencies. In this connection it may be noted that the following are exempt from duty under paragraph 730 (a) of the United States Tariff Act of 1930:—

All products of American fisheries (including fish, shellfish, and other marine animals, and spermacetti, whale, fish, and other marine animal oils), which have not been landed in a foreign country or which, if so landed, have been landed solely for transshipment without change in condition: *Provided*, That fish the product of American fisheries (except cod, haddock, hake, pollock, cusk, mackerel, and swordfish) landed in a foreign country and there not further advanced than beheaded, eviscerated, packed in ice, frozen, and with fins removed, shall be exempt from duty: *Provided further*, that products of American fisheries, prepared or preserved by an American fishery, on the treaty coasts of Newfoundland, Magdalen Islands, and Labrador, as such coasts are defined in the Convention of 1818 between the United States and Great Britain, shall be exempt from duty.

The new enactment states that the term "products of American fisheries" shall not include fresh or frozen fish fillets, fresh or frozen fish steaks, or fresh or frozen slices of fish substantially free of bone (including any of the foregoing divided into sections), produced in a foreign country or its territorial waters, in whole or in part with the use of the labour of persons who are not residents of the United States.

INTERPRETATION OF MARKING LAW

A decision of the United States Customs Court of June 17, 1940, in regard to the mark of origin on wooden handles imported from Japan for making artists' brushes in the United States, approved the mark of origin on the handles, although the mark would be subsequently covered by ferrules when the handles were used in making brushes. The Collector of Customs had refused to release the articles unless they were marked in a place that would be visible in the finished brushes, and the importer entered a protest. The law requires a mark of origin on the imported article which will indicate to an ultimate purchaser in the United States the name of the country of origin of the article. A controversy arose over construction of the meaning of the words "ultimate purchaser." It was held that the words "ultimate purchaser in the United States" means the ultimate purchaser of the imported article and that an article loses its identity as soon as a new and different article is made therefrom. Therefore, the ultimate purchaser of the new article is not the ultimate purchaser of the imported material within the tariff sense. It was therefore held that, as the imported handles were marked with the name of the country of origin, they were legally marked at the time of importation.

Guatemala

FINES FOR BREACH OF CUSTOMS REGULATIONS

Mr. R. T. Young, Canadian Trade Commissioner at Mexico City, calls attention to the fines leviable in Guatemala on imports of merchandise in the case of breaches of the customs regulations or errors in documentation. When such penalty is incurred, the Guatemalan law provides that the importer on

request is entitled to a certificate to show that the fine has been levied. Fines thus levied may afterwards be waived by the authorities, but exporters should use the utmost care in the preparation of shipping documents. A leaflet on customs documentation of Guatemala may be obtained on application to the Department of Trade and Commerce, Ottawa.

INCREASED DUTY ON SOME COTTON GOODS

A Guatemalan executive decree, gazetted on June 8, increased the duty on cotton stockinet fabric from 50 cents to \$1 per pound, and on cut-out pieces of cotton ready for making up underwear from 50 cents to \$2 per pound, or if with embroidery from \$1 to \$2.50 per pound.

Ecuador

QUOTA RESTRICTIONS ESTABLISHED

Mr. M. J. Vechsler, Canadian Trade Commissioner at Lima, writes that an Ecuadorian decree of June 13, 1940, imposes quota restrictions on the import of lard and its substitutes, flour, paint in liquid form, cash registers, adding machines, sewing machines, automobiles, oilcloth, and silk socks and stockings. During the six months beginning June 15, 1940, the import of these products will be reduced to 25 per cent of the average importations into Ecuador in the years 1936 to 1939 inclusive. The Central Bank of Ecuador will determine each three months the import quota for each country from which the foregoing products reached Ecuador during the four-year period mentioned.

Peru

DUTIABLE WEIGHT OF AUTOMOBILES

Mr. M. J. Vechsler, Canadian Trade Commissioner in Lima, writes that the increased duties on automobiles established by a Peruvian decree of May 29, 1940 (see *Commercial Intelligence Journal* No. 1897: June 8, 1940, page 922) are subject, under a resolution issued on June 6 by the Peruvian Ministry of Finance, to the following regulations regarding the dutiable weight of the automobiles:—

- (a) The automobile must be weighed with normal accessories, such as bumpers, four tires and one or two extra tires, according to the equipment prepared by the manufacturer, headlights, storage batteries, and tool kits. Cars which are presented for dispatch without these accessories will incur a 100 per cent surcharge on the weight for those weights which are partially lacking in the accessories.
- (b) Likewise, the weight of cars which are presented for dispatch without pieces such as dynamos and electrical starting apparatus, carburetors, air filters and gasoline filters, mufflers, seat cushions, fenders, tops, windows—sliding, adjustable, or any other essential part for the normal use of the vehicle, will be calculated (for purposes of weight) with a surcharge of 100 per cent on the weight of the vehicle, taken in the condition in which it is presented for dispatch.

EXCHANGE CONDITIONS IN CUBA, DOMINICAN REPUBLIC, PUERTO RICO AND HAITI

S. G. MACDONALD, ACTING TRADE COMMISSIONER

Havana, June 28, 1940.—In none of these countries are there any official exchange restrictions in force which may affect the collection of bills drawn on importers therein by persons abroad. Importers can also obtain foreign exchange requirements freely to pay for shipments from Canada.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JULY 15, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for the principal exchanges for the week ending Monday, July 15, 1940, and for the week ending Monday, July 8, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending July 8	Nominal Quotations in Montreal Week ending July 15	Official Bank Rate
Finland	Markka	.0252	\$.0215	\$.0218	4
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0074	.....	6
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial		.1952	.1951	—
Yugoslavia	Dinar	.0176	.0249	.0249	5
Portugal	Escudo	.0442	.0416	.0428	4-4½
Roumania	Leu	.0060	.....	.....	—
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2645	.2645	3
Switzerland	Franc	.1930	.2514	.2520	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2208	.2202	—
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.....	.....	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.....	.....	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2348	.2403	—
Brazil	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0558	.0557	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6356	.6325	4
Peru	Sol	.2800	.....	.....	—
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4048	.4052	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0672	.0684	—
Hongkong . . . . .	.....\$	.....	.2575	.2660	—
India	Rupee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2601	.2601	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.....	.....	—
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5760	3.5760	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds remained unchanged at \$4.43-\$4.47 and \$1.10-\$1.11 respectively, during the week ended July 15. At New York sterling free market rates fluctuated between \$3.66½ and \$3.86, the latter figure being the closing rate for the week and indicating a net gain of 9½ cents. In the same interval Canadian funds at New York, after falling from 86½ cents on the 8th to 85½ cents on the 9th subsequently stiffened to finish 1½ cent higher at 87½ cents. Money dealers attributed the sudden rise in free sterling on the 15th to reports from London that payments in free pounds for British exports would not be permitted after July 18. Reversing its downward tendency of recent weeks the Argentine peso (free rate) advanced 55 points to 24.03 cents, while Swiss francs closed 6 points higher at 25.20 cents.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—
Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Canned Salmon.....	485	Lima, Peru.....	Agency.
Miscellaneous—			
Silk Neckwear, Men's.....	486	Lima, Peru.....	Purchase and Agency.
Novelty Lines of All Kinds.....	487	Dublin, Ireland.....	Purchase.
Greaseproof Paper.....	488	Liverpool, England.....	Purchase.
Paper Board in Sheets.....	489	Shanghai, China.....	Purchase.
Leather Belting.....	490	Santiago, Chile.....	Purchase and Agency.
Printing Inks.....	491	Santiago, Chile.....	Purchase and Agency.
Plywoods and Veneers.....	492	Lima, Peru.....	Agency.
Foils, Tin, Aluminium and Bronze.....	493	Santiago, Chile.....	Purchase and Agency.
Wire Cloth, Phosphor Bronze, Steel and Copper.....	494	Santiago, Chile.....	Purchase.
Ferro-alloys.....	495	Birmingham, England.....	Purchase.
Oxides of Cobalt, Lead, Nickel, Zinc and Selenium.....	496	Santiago, Chile.....	Agency.
Mild Steel Bars, Angles and Plates.....	497	Port of Spain, Trinidad...	Purchase and Agency
Copper Wire for Radio Aerials...	498	Dublin, Ireland.....	Purchase.
Welding Rods.....	499	Santiago, Chile.....	Purchase.
Small Metal Instrument Parts...	500	Birmingham, England.....	Purchase.
Valves, Water, Pressure and Steam.....	501	Santiago, Chile.....	Purchase.
Peat Moss.....	502	Chicago, Illinois.....	Purchase.
Peat Moss.....	503	Tipp City, Ohio.....	Purchase.
Peat Moss.....	504	Damascus, Ohio.....	Purchase.
Peat Moss.....	505	Hanlontown, Iowa.....	Purchase.

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CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

GENERAL

Annual Report of the Department of Trade and Commerce.—A review of the salient features of Canada's export and import trade and a summary of the activities of each of its Branches, including the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Service; Electricity and Gas Inspection Services; Publicity; Government Motion Picture Bureau; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a statement of Revenue and Expenditure. (Price 25 cents.)

Annual Report of the Board of Grain Commissioners.—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

Annual Report of Electricity and Gas Inspection Services.—A summary of the work of these services with statistics of revenue and expenditure, as also statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 25 cents.)

Annual Report of Dominion Grain Research Laboratory.—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with Universities, Experimental Farms and other Government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

Catalogue of Motion Pictures.—List of all films available in the Government Motion Picture Bureau, with title and brief description. It is in loose leaf form, in order that revision may be made from year to year. (Price 25 cents.)

List of Grain Elevators.—Details of all Grain Elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

Commercial Intelligence Journal.—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving Invoice Requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is an abbreviated list of publications of the Dominion Bureau of Statistics:—

Census of Canada.

Miscellaneous Statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces.

Canada, 1939. (Price 25 cents.)

Canada Year Book. (Price \$1.50.)

Report of the Dominion Statistician, Annual. (Price 10 cents.)

Trade (External), (Imports and Exports)—Annual Reports: Fiscal Year (price \$3), Calendar Year (price 50 cents); Quarterly Report (price \$2 per annum); Monthly Report (price \$1 per annum).

Trade (Internal), Prices, cost of living, capital movements, etc. (Price 50 cents.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

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CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.

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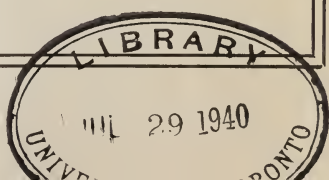
Ottawa, July 27, 1940

No. 1904



Unloading Barrels of Pickled Mackerel at Halifax Docks

ISSUED BY AUTHORITY OF
THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE
J. G. PARMELEE, DEPUTY MINISTER



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Ottawa, July 27, 1940

No. 1904

TRADE COMMISSIONERS ON TOUR

The following Trade Commissioners are now on tour in the Dominion in the interest of Canadian trade with their respective territories: Mr. Paul Sykes, Bombay, India (whose territory includes Burma and Ceylon); Mr. C. S. Bissett, Havana, Cuba (whose territory includes Haiti, the Dominican Republic, and Puerto Rico); Mr. M. B. Palmer, Port of Spain, Trinidad (whose territory includes Barbados, Windward and Leeward Islands, and British Guiana); and Mr. F. W. Fraser, Kingston, Jamaica (whose territory includes the Bahamas and British Honduras). Their itineraries are as follows:—

Mr. Sykes

Goderich, Stratford and
Walkerton July 30
London and district . . . July 31
Kitchener, Hespeler and
Preston Aug. 1
Guelph Aug. 2
Galt and Paris Aug. 6
Brantford and district . . Aug. 7
St. Catharines, Welland,
Dunnville and district . . Aug. 8

Niagara Falls and Thorold Aug. 9
Dundas Aug. 10
Hamilton and Winona . . Aug. 12 to 14
Toronto and district . . . Aug. 15 to 28
Whitby, Belleville and
district Aug. 29
Kingston and district . . . Aug. 30
Brockville Aug. 31

Mr. Bissett

Grand Manan July 30
Black's Harbour July 31
Toronto and district . . . Aug. 6 to 17
Guelph Aug. 19
Kitchener and district . . Aug. 20
Galt and Brantford . . . Aug. 21

Hamilton and St. Cath-
arines Aug. 22
London and district . . . Aug. 23
Walkerville Aug. 24
Vancouver and Victoria . . Aug. 29 to Sept. 7
Calgary Sept. 9
Edmonton Sept. 10

Mr. Palmer

Calgary Aug. 2

Vancouver and Victoria . . Aug. 6 to 12

Mr. Fraser

Montreal July 29 to Aug. 17
Granby and district . . . Aug. 19
Sherbrooke and district . . Aug. 20 and 21
Quebec Aug. 22 and 23
Saint John Aug. 26 and 30
Grand Manan Aug. 27 to 29
Digby Aug. 31

South Brookfield, Liver-
pool, Bridgewater and
Lunenburg Sept. 2
Halifax Sept. 3 to 5
Stewiacke, New Glasgow
and Truro Sept. 6
Charlottetown and district Sept. 9
Port Elgin, Sackville,
Amherst and Moncton . Sept. 10

Canadian firms who wish to be brought in touch with the Trade Commissioners should communicate, for Montreal, with the Montreal Board of Trade; for Toronto, Winnipeg, Edmonton, Vancouver and Victoria, with the office of the Canadian Manufacturers Association; and for other centres, with the respective Board of Trade or Chamber of Commerce.

TRADE OF SOUTH AFRICA IN 1939

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, June 12, 1940.—The foreign trade of the Union of South Africa consists essentially of an exchange of mineral, pastoral and agricultural products for manufactured goods, semi-finished articles and certain ancillary foodstuffs.

Gold bullion and specie, which is the country's leading export commodity, represents the largest part of the value of total exports and offsets an otherwise unfavourable trade balance. Normally figures covering the movement of gold are available and can be included in a review of the trading position. Since the outbreak of war, however, such information has not been made public, and gold now becomes an invisible item. In 1938 the value of gold exports, which did not include earmarked gold, was shown as £47,995,255 out of a total value for exports of £83,344,702. The respective figures in 1937 were £82,751,159 and £125,359,840.

The official trade statistics for the calendar year 1939, which have just been published, exclude gold and deal only with the movement of merchandise. According to this authority, the total trade of the Union in 1939 was valued at £125,484,240 as compared with £128,150,037 in 1938. Exclusive of goods in transit, the value of imports totalled £91,341,108 and the value of exports £34,143,132 in comparison with £95,628,628 and £32,521,409 respectively for the preceding year.

The trade returns subdivide these figures into different grouping depending on geographical distribution and whether the goods are for commercial purposes or government account. The tabulation of imports is as follows:—

<i>Imports</i>			
Merchandise—		1938	1939
From overseas		£85,091,280	£84,330,211
South-West Africa, Northern Rhodesia and South African produce		966,466	1,007,514
Imported goods re-exported		67,136	72,777
Government stores		9,487,496	5,910,724
Specie, other than gold—			
From overseas		15,242	19,474
South-West Africa and Northern Rhodesia		1,028	408
Total		£95,628,628	£91,341,108

Exports are classified on a similar basis, as the subjoined figures indicate:—

<i>Exports</i>			
Merchandise—		1938	1939
To overseas		£26,557,549	£28,027,255
Imported goods re-exported		2,655,047	2,619,382
South-West Africa, Northern Rhodesia and South African produce		1,691,504	1,830,513
Bunker coal, ships' stores and specie, other than gold		1,617,309	1,664,982
Total		£32,521,409	£34,143,132

IMPORT TRADE

The South African trade statistics further separate imports from overseas into fourteen principal groups of commodities. The value of each of these in 1938, with comparative figures for the preceding year, is as follows:—

	1938	1939
Animal, agricultural and pastoral products (not foodstuffs)	£ 536,952	£ 545,777
Foodstuffs	4,914,131	4,840,646
Ales, spirits, wines and beverages	738,691	789,760

	1938	1939
Tobacco and manufactures thereof	318,211	333,077
Fibres, yarns, textiles and apparel	17,787,673	19,462,931
Metal, metal manufactures, machinery and vehicles	36,600,128	32,182,595
Minerals, earthenware, glassware and cement	1,873,595	1,751,363
Oils, waxes, resins, paint and varnish	5,882,583	7,063,332
Drugs, chemicals and fertilizers	3,540,963	3,513,829
Leather, rubber and manufactures thereof	2,009,017	2,677,032
Wood, cane, wicker and manufactures thereof	3,635,588	3,690,480
Books, paper and stationery	3,358,140	3,425,893
Jewellery, timepieces, fancy goods and musical instruments	1,689,255	1,622,317
Miscellaneous	2,452,721	2,431,179
Total	£85,337,648	£84,330,211

Two of the foregoing groups—fibres, textiles, and apparel, and metals, metal manufactures, machinery and vehicles—with a combined value of £51,645,526 represent slightly more than 60 per cent of the total value of imports. If oils, waxes, resins, paints, and varnishes are included, this ratio is raised to 81 per cent. In the last-named group the outstanding individual item is gasoline, imports of which had a value of £2,651,380 in 1939 as against £2,182,654 in 1938; other leading articles are crude oil and lubricating oil; the comparative respective value of imports of these items during the two years were £918,139 and £563,812 in 1939 and £738,983 and £663,413 in 1938. The metal and vehicle group contains a wide range of individual products, among which a decline in the value of imports is fairly equitably distributed. One of the most important individual items is motor cars, which showed a contraction from £3,307,473 in 1938 to £3,013,907 in 1939. The value of non-specified electrical machinery and appliances, another leading group, also decreased from £2,554,134 to £1,836,604.

The increase in imports of fibres, textiles and apparel was distributed among a considerable number of commodities. Imports of women's non-specified outer garments went up from £1,914,174 to £2,092,128. An article which is of particular interest to Canada is silk hosiery, total imports of which increased from £429,997 to £520,768. Jute bags showed a rise to £891,819 from £584,611 in 1938, and cotton piece-goods an increase from £3,649,730 to £3,991,794. Most of the other individual items were of comparatively low value and influenced the increase in the total value only from a collective point of view.

ORIGIN OF IMPORTS

An examination of the origin of merchandise imported into the Union of South Africa in 1939 reveals that of 116 participating countries, 23 account for £80,435,346 or 95.4 per cent of the total import trade of £84,330,211, and that one, the United Kingdom, supplied to a value of £34,698,960, or 41.1 per cent of the total.

Figures of distribution of imports by individual countries reflect but minor changes in the main sources of supply when 1939 is compared with 1938, and both periods in turn show little difference as compared with the preceding two years. An increase in imports from Germany during the first eight months of the year was sufficient to place that country in fourth position among sources of supply instead of the third which it held in 1938. In 1937 Canada was fifth among the countries of origin of South African imports, while in 1938 the value of imports from the Dominion exceeded that of shipments from Japan, and fourth place was attained. During the period under review there was a further increase which raised Canada to third place with 4.3 per cent of the total value of imports.

The subjoined table shows in order of importance values and percentages of imports credited to the 23 principal countries in 1939 and 1938; figures within parentheses indicate the positions occupied by these countries in 1938.

Imports into South Africa by Principal Countries

	1938		1939	
	£	Per Cent	£	Per Cent
Total merchandise	85,091,280	100.0	84,330,211	100.0
United Kingdom (1)	37,236,349	43.8	34,698,960	41.1
United States (2)	16,537,111	19.4	17,349,482	20.6
Canada (4)	3,011,328	3.5	3,629,025	4.3
Germany (3)	5,024,457	5.9	3,382,700	4.0
Japan (5)	2,785,359	3.3	2,893,226	3.4
India (7)	1,541,610	1.8	2,094,954	2.5
Belgium (6)	1,825,482	2.1	1,974,714	2.3
Iran (10)	1,388,576	1.6	1,896,819	2.2
Netherlands India (11)	1,197,198	1.4	1,866,699	2.2
Sweden (8)	1,532,327	1.8	1,536,114	1.8
Netherlands (9)	1,447,553	1.7	1,497,646	1.8
Italy (12)	1,134,922	1.3	1,093,739	1.3
France (13)	932,949	1.1	1,090,557	1.3
Finland (14)	859,707	1.0	859,111	1.0
Ceylon (15)	738,801	0.8	808,793	1.0
British Malaya (22)	280,989	0.3	664,873	0.8
Switzerland (17)	570,806	0.7	560,019	0.7
Bahrein Island (23)	229,721	0.3	531,841	0.6
Australia (16)	716,771	0.8	429,475	0.5
Southern Rhodesia (18)	424,853	0.5	421,720	0.5
Thailand (20)	313,980	0.4	401,439	0.5
Argentina (19)	384,572	0.5	390,777	0.5
Norway (21)	306,341	0.4	362,663	0.4
Totals for 23 countries listed	80,421,762	94.5	80,435,346	95.4

EXPORT TRADE

Wool is the Union of South Africa's premier agricultural export commodity. Shipments during 1939 amounted to 187,329,957 pounds, a decrease of 57,074,138 pounds as compared with shipments during 1938. This reduction was due largely to the loss of European markets consequent to the outbreak of war. The value of wool exports in 1939 amounted to £7,256,301, a decrease from 1938 of £1,627,194. The average price, however, reflected a slight increase. In the case of greased wool, this was from 8·6d. per pound to 8·9d. per pound and for scoured wool from 16·6d. to 16·9d.

Hides and skins follow wool as the country's second most important export of agricultural origin. Exports of all other agricultural products, with the exception of two insignificant items, showed increases in value as against those in the preceding year. The exceptions were animal feeding-stuffs, which showed a reduction from £276,334 to £235,880, and raw cotton, which declined from £8,320 to £1,370.

Among the minerals and mineral products there was a decline in the value of the exports of manganese ore, although the tonnage showed a slight increase. There was also a decline in the export of diamonds, both rough and polished.

Among foodstuffs, corn is the leading item. The quantity available for shipment abroad varies considerably from season to season with the fluctuations in the volume produced. When 1939 is compared with 1938 there was an increase in the value of the export of this commodity from £2,624,083 to £960,728. Exports of sugar, which is also a leading product, contracted in both quantity and value. Exports of citrus fruit were up, while those of deciduous fruit, grapes and dried fruit were down.

The following table shows the values of South Africa's leading exports in 1939, with comparative figures for 1938.

Exports from South Africa by Principal Commodities

	1938	1939
Total exports	£32,521,409	£34,143,132
Butter	213,581	434,594
Corn meal	334,133	673,978
Corn	960,728	2,624,083
Citrus fruit	1,373,346	1,667,855

	1938	1939
Deciduous fruit	£ 622,314	£ 355,981
Grapes	655,132	394,227
Sugar	1,898,504	1,840,518
Angora hair	353,949	379,903
Hides and skins (cattle)	433,776	463,368
Sheepskins	778,708	1,023,291
Wool	8,983,495	7,256,301
Wattle bark	453,006	690,851
Bark extract	454,946	616,201
Chrome ore	239,528	346,820
Manganese ore	537,906	439,388
Refined copper	426,392	463,044
Asbestos	422,156	514,199
Coal	490,706	577,712
Diamonds, rough and uncut	1,499,353	1,063,704
Diamonds, cut and polished	887,754	857,737

As is the case with imports, a comparatively small number of countries shared in the distribution of the larger part of South Africa's merchandise exports. In 1939 nearly 90 per cent of the total was credited to ten importing countries. The United Kingdom is by a wide margin the principal buyer of Union products, having in 1939 absorbed 43·5 per cent of the total. Other British countries accounted for 12·1 per cent, and foreign countries for 44·4 per cent. Among the latter, Germany and the United States were the more important.

The subjoined table indicates the values and percentages of merchandise exports to the leading countries of destination in 1939. Comparative figures are given for the year before.

Exports from South Africa by Principal Countries

	1938		1939	
	£1,000	Per Cent	£1,000	Per Cent
Total, all countries	26,338	100.0	28,027	100.0
United Kingdom	10,796	40.7	12,197	43.5
Germany	4,992	18.8	2,771	9.7
United States	755	2.8	2,545	9.1
France	2,129	8.0	1,616	5.8
Southern Rhodesia	1,349	5.1	1,559	5.6
Belgium	1,566	5.9	1,352	4.8
Japan	405	1.5	772	2.8
Italy	1,021	3.8	778	2.8
Netherlands	454	1.7	767	2.7
Canada	380	1.4	711	2.5
Total 10 countries listed	23,847	89.7	25,068	89.3

Of the total exports of greased wool, shipments to the United Kingdom amounted to 33,148,159 pounds (£1,025,738) as compared with 41,297,983 pounds (£1,356,598) during 1938. Direct shipments to Continental countries totalled 116,189,369 pounds (£4,051,792) as compared with 189,721,146 pounds (£6,874,030). Wool exports to the United States weighed 20,133,210 pounds (£1,087,499) as against 616,478 pounds (£24,163). Wool shipments to Japan were 28,128,550 pounds (£414,407) as compared with 5,349,302 pounds (£221,709) in 1938.

The United Kingdom maintained its position as the principal market for foodstuffs, taking 74 per cent of the total in comparison with 74·4 per cent in 1938. The other main items of importance going to the United Kingdom were wattle bark, wattle extract, hominy chop, refined copper, tin ore and concentrate, raw asbestos, and diamonds.

Exports to Germany included greased wool valued at £1,585,500 in comparison with £3,668,248 the year before, and scoured wool valued at £95,132 and £98,459 respectively. Other products exported to that country prior to the outbreak of war were cattle hides, angora hair, wattle bark, chrome ore, manganese ore, citrus fruit, and asbestos.

As noted above, the value of exports to the United States rose from 2·8 per cent of total exports in 1938 to 9·1 per cent during the period under review.

The value of greased wool exports alone went up from £24,163 to £1,087,499. This was the most important commodity and accounts for over 42 per cent of the total exports to that country. Chrome ore exports to the United States also rose from £77,869 to £159,600, and those of goat skins from £111,542 to £130,638; sheep skins advanced from £135,656 to £301,342, and angora hair from £106 to £17,402. Other commodities going to the United States, all of which showed increases, included ox and cow hides, scoured wool, wattle bark, wattle extract, manganese ore, asbestos (which went up from £72,464 to £158,981), and cut and polished diamonds.

Diamonds were important among the exports to Belgium, while wool was the only other item of importance. France was a purchaser of wool, hides and skins, manganese ore, asbestos, citrus fruit, and crayfish. Corn valued at £370,052 was the principal item of export to the Netherlands, while wool headed the list among shipments to Italy and Sweden.

GOVERNMENT STORES

Reference has been made in a preceding section of this report to imports of government stores. These include all articles imported by the different departments of the South African Government, among which the Railways and Harbours Administration is one of the largest purchasers.

The total value of the direct imports of government stores during the period under review was £5,891,684; in addition, goods having a value of £1,646,974 were taken out of bond. The respective comparative figures in 1938 were £9,468,187 and £2,456,945. The United Kingdom is, and Germany was, the principal country of origin for government purchases.

In 1939 the United Kingdom was credited with direct imports having a value of £3,294,965, while imports ex bond had an added value of £471,288. The only other British Empire country supplying government stores to any extent was Canada, whence direct imports and exports ex bond were valued at £327,674 and £111,958 respectively. For the period under review the value of direct imports from Germany was recorded at £1,593,114, and of German products ex bond at £180,186. The United States supplied goods to the value of £101,112 by direct import and £578,752 ex bond.

As regards the commodities imported under the heading "government stores," animals, agricultural and pastoral products and foodstuffs had a total value of £13,307. Direct imports of fibres, yarns, textiles and apparel were valued at £158,928 and those ex bond at £40,697. Metals, metal manufactures, machinery, and vehicles were by a wide margin the most important group. Total direct imports of products so classified were valued at £5,079,196, and imports ex bond at £1,005,853. The more important commodities involved included cranes and mechanical excavators, steel rails, locomotives and parts (which had a value of £1,870,268) and railway rolling stock. Purchases of locomotives by the South African Railways from Germany amounted to £1,144,682. Canada was credited with steel rails to a value of £276,254 out of a total of £446,427. Most of the remainder came from the United Kingdom.

Government imports of oils, waxes, resins, paints and varnishes were valued at £60,533 direct and £384,617 ex bond; wood, cane, wicker and manufactures thereof, £156,104 direct and £95,933 ex bond; books, paper and stationery, £139,212 direct and £16,715 ex bond. The leading item in the last-mentioned group was printing paper, approximately half of which came from Germany.

Miscellaneous imports for government account, which include ammunition, scientific instruments and non-specified products, had a total value of £232,628 for direct entries, and an additional £6,469 ex bond.

TRADE OF SOUTH-WEST AFRICA

While the territory of South-West Africa is for customs purposes part of the Union of South Africa, its foreign trade is dealt with separately from a statistical point of view.

In 1939 the value of merchandise imports from all sources was £2,136,273 in comparison with £2,241,736 in 1938. Exports from South-West Africa in 1938 and 1939 were valued at £3,377,181 and £3,527,485 respectively.

As regards imports in 1939, British Empire countries supplied to a value of £112,752, the United Kingdom being credited with £93,705 and Canada with only £5,428. The total value of imports from foreign countries was £472,108, of which £244,776 was credited to Germany and £82,998 to the United States. Imports into the territory from the Union of South Africa are shown under two headings—"South African produce" and "Non-South African produce." The value of the former was £981,938 and of the latter £569,367.

The values of the individual imports into the territory are comparatively small. Imports of all varieties of foodstuffs were valued at £441,829, over 90 per cent of which came from the Union of South Africa.

The other principal groups of imports, together with the value of each, were as follows: ales, wines, spirits and beverages, £47,953; tobacco and tobacco products, £86,216; fibres, yarns, textiles and apparel, £396,361; metals, metal products, machinery and vehicles, £502,187; minerals, earthenware, glassware and cement, £56,088; oils, waxes, resins, paints and varnishes, £163,608; drugs, chemicals and fertilizers, £66,119; leather and rubber and manufactures thereof, £129,156; wood, cane and wicker and manufactures, £61,347; books, paper and stationery, £38,275; jewellery, fancy goods and musical instruments, £32,226; miscellaneous products, £79,131.

Turning to the distribution of exports, out of the total valued at £3,329,877, purchases by the United Kingdom were valued at £1,542,088; by the Union of South Africa at £706,024; Germany, £583,438; the United States, £217,784 and Belgium, £216,677.

As is the case with the Union of South Africa, exports are not so diversified as imports. A comparatively small number of commodities account for the greater part of the total. The leading item is karakul skins, which in 1939 had a value of £1,257,579 or more than one-third of the total. Other leading articles were wool valued at £176,603, and butter valued at £534,365.

SOUTH AFRICAN PURCHASES OF MINES' STORES IN 1939

J. H. ENGLISH, CANADIAN TRADE COMMISSIONER

Johannesburg, May 16, 1940.—The great importance of the mining industry to the general economy of South Africa has again been demonstrated by official figures, just released, showing the value of purchases of mines' supplies during 1939.

In keeping with the substantial increase in tonnage of ore handled last year, the expenditure for mine supplies likewise rose to the highest figure so far recorded in the history of the industry. The total value of purchases in 1939 reached £33,547,215 as compared with £32,745,043 in 1938 and £22,991,184 in 1934. The increase for 1939, therefore, was £822,172, or nearly 2.5 per cent over the preceding year. All branches of the mining industry in South Africa contributed to this increase, with the exception of diamond mining. The purchases of supplies for this industry declined by some £97,600. Gold mining naturally showed the greatest increase in purchases, rising by no less than £783,301. Coal-mining purchases rose by £118,817, and those of other mining by £18,440.

An important feature of the returns is the continuing increase in the ability of local enterprise to supply more and more of the industry's requirements. It was only a comparatively few years ago that the greater percentage of stores' purchases were imported from overseas, and only a small part of the total purchases, especially such commodities as coal, electricity, foodstuffs, were bought locally. In 1938, 31·9 per cent of the consumable stores were imported. The proportion fell to 29·5 per cent in 1939. Thus something like 2·5 per cent less of the year's purchases by the mines in 1939 were imported commodities. The extent to which South African industries have been able in recent years to increase their percentage of the mines' requirements is a tribute to the rapid expansion of these industries. Now that many former sources of overseas supply have been cut off as a result of the war, this rapid industrialization of the Union will be of advantage to the mining industry.

The following table shows the values of purchases of mines' stores produced in South Africa and imported in 1939 and 1938:—

	1939	1938
Total purchases...	£33,547,215	£32,725,043
South African (including Rhodesian) purchases...	23,640,798	22,275,265
Imported purchases...	9,906,417	10,449,778

The gold mining industry, of course, is by far the leading purchaser of mines' stores, the value during the past year being no less than 92 per cent of the total mines' purchases for the whole Union, amounting to £31,941,921. The corresponding figure for 1938 was £31,156,293. Purchases for the year by other mining groups in the Union were: coal mines, £1,556,465; diamond mines, £264,763; others, £800,460.

NATURE OF PURCHASES

The list of principal commodities purchased during the year comprises over 100 articles. Except for such items as electricity and power, coal, water, and local food, purchases of which together amount to some £7,000,000, these articles were largely imported a few years ago. In one or two minor cases only is South Africa not now a supplier of the products in the long list of manufactured goods. Moreover, in the case of nearly every product listed, purchases of goods made in South Africa increased during the year, and usually at the expense of the imported article. A few outstanding instances may be of interest.

Rubber belting in 1939 was purchased by the mines to the value of £138,731, the value of supplies of overseas origin amounting to £83,580 only as compared with £109,307 in 1938. Local industry increased its percentage of the trade by about 60 per cent.

The total purchases of cyanide in 1939 were £619,119 as compared with £555,427 in the previous year. In this case the South African industry again made a substantial gain. Whereas it supplied only £48,454 worth of the product in 1938, in 1939 it supplied to the value of £219,514.

South African industry during the year increased its share of the iron and steel requirements of the mining industry in such important products as wire rope, piping, rails, steel sheet, drill steel and structural steel. It has also been able to develop to meet the mines' requirements in rubber hose. In 1938 South African industry supplied hose to the value of £128,722, while imported hose was valued at £34,746. In 1939 the figures respectively were £141,641 and £22,186.

Despite this rapid increase in the ability of South African industry to meet the mining requirements—a progress which is likely to be accelerated by the war—there still remains a wide field for imported goods. Many of the diverse products which are required by the mines cannot be readily manufactured or produced in the Union and their importation will have to continue. Particularly under present conditions, Canadian manufacturers have a special opportunity to cater to this trade.

PURCHASES OF INTEREST TO CANADA

The principal products which would appear to be of special interest to Canada include building material, especially building wallboard; canvas cloth, imports of which totalled £61,387 in 1939; machinery and machine tools and spares; pipe fittings and piping; lumber; hand tools and zinc dust; cyanide; drill steel; steel balls; belting. In many other commodities the requirements of the mines will for a long time outstrip local production possibilities, and opportunities therefore exist for the introduction of products from Canada.

The outbreak of war in Europe, on the whole, has not seriously affected supplies reaching the mines. In a few cases only have sources of supply actually been cut off. In recent years the majority of the mines have not purchased from Germany. Certain products, of course, have come from other Continental countries, but as far as possible the United Kingdom has been used as a source of supply. Under war conditions it is reasonable to assume that some delays and difficulties have been experienced in the regular delivery of supplies from the United Kingdom, but there have been few instances of any serious inconvenience.

DETAILS OF MINES' PURCHASES

The following table contains a detailed list of mines' purchases in 1939 and 1938, as shown in the official returns of the Union of South Africa Mines Department, those items being omitted which Canada unquestionably cannot supply. It shows the value in sterling of South African (including Rhodesian) and imported purchases of each item. Comparison of the figures for the two years will indicate the increased extent to which supplies of many items were drawn during 1939 from domestic sources.

Details of South African Mines' Purchases in 1939 and 1938

	1939		1938	
	South African Pounds	Imported Sterling	South African Pounds	Imported Sterling
Belting (including laces, etc.)	55,151	83,580	34,362	109,307
Boiler fluid	10,421	2,501	9,200	2,971
Brake linings	77	8,836	146	8,533
Bricks, tiles and fire-clay	83,974	17,838	93,099	5,680
Brushware	17,803	7,921	18,315	8,078
Buckets (excluding sanitary)	1,266	1,797	1,312	1,967
Building material	56,661	15,665	68,444	15,172
Cement, fire, quicksetting, etc.	2,392	8,427	5,958	5,237
Chemicals—				
Assay and smelting	81,212	69,157	73,447	65,138
Cyanide	219,514	399,602	48,454	506,973
Soda	26,714	23,605	27,473	20,113
All other	54,882	51,741	52,213	47,585
Cloth, canvas, etc.	22,568	38,819	26,489	28,974
Clothing	161,795	54,689	155,201	62,334
Coal-cutting machines . . . . .	.....	23,863	.....	36,619
Coal-cutting machine spares	2,102	30,107	1,331	29,733
Corduroy	27	14,052	194	13,394
Electrical machinery	281,787	2,038,636	262,577	1,867,046
Electrical machinery, spares, etc.	53,175	136,071	38,944	169,468
Fire appliances (including hosing, etc.)	535	10,935	591	14,553
Food, coffee, milk, etc. (supplied free to white employees)	26,763	6,461	23,283	6,053
Foods, etc. (supplied free to coloured employees)	2,570,320	35,617	2,388,553	15,740
Furniture	9,500	5,388	16,284	10,013
Glass	1,025	3,602	779	4,485
Hose fittings (excluding fire hose fittings) . .	77,346	3,018	80,736	4,803
Hosing (except fire hose)	141,641	22,186	128,722	34,746
Hospital and ambulance requisites	34,483	104,969	36,950	106,461
Instruments	4,349	34,214	2,539	35,563

Details of South African Mines' Purchases—Con.

	1939		1938	
	South African Pounds	Imported Sterling	South African Pounds	Imported Sterling
Iron—				
Bar	118,659	37,859	133,931	50,791
Galvanized	47,654	16,795	46,510	24,765
Sheet	2,402	221	1,544	525
Hoop	98	1,446	76	1,466
Ironmongery—				
Bolts, nuts, washers, etc.	113,431	93,660	99,766	104,928
Screws and nails	29,147	16,950	25,410	16,414
Locks, hinges, staples, chain	60,928	24,609	45,779	28,220
Other	29,263	31,993	35,606	34,358
Lamps and spares (excluding electric)	59,033	18,878	57,291	21,816
Leather	325	1,335	360	1,147
Lubricants—				
Oils	7,223	274,093	7,387	267,711
Greases and tallow	118,884	87,306	117,070	85,021
Lubricators	10,586	12,577	9,926	11,679
Machinery and machine tools	396,959	1,224,458	482,359	1,318,500
Machinery spares (excluding electrical)	439,312	462,480	398,198	413,784
Metals—				
Anti-friction	2,666	34,619	3,141	30,713
Other	8,609	28,598	6,759	25,962
Motor cycles, bicycles and accessories	1,016	2,378	664	2,667
Oils (other than lubricating)—				
Transformer and switch . . . . .	.....	11,166	.....	12,966
Oxygen, acetylene and welding requisites	78,659	25,154	75,926	23,240
Packing	24,560	48,551	22,809	49,072
Paint, driers, etc. (excluding tar)	49,722	69,337	43,575	68,083
Pipe fittings	141,761	270,951	142,920	282,873
Piping—				
Fabric (ventilation)	17,423	5,732	16,723	7,132
Iron and steel	660,411	165,398	649,432	286,470
Rails, crossings, metal sleepers and fittings	646,072	170,637	636,407	178,805
Reduction plant spares—				
Sorting and crushing	76,255	59,442	68,580	72,128
Stamp mill—				
Shoes and dies	72,757	258	69,162	248
All other	33,785	37,883	30,182	39,994
Tube mill—				
Liner	277,473	1,511	256,980	1,954
Steel balls	406,333	7,403	339,078	9,992
All other	52,986	13,116	44,531	13,267
Other	28,450	12,003	21,020	10,497
Rock drills	17,522	94,964	23,904	126,310
Rock drill spares	346,635	230,275	363,715	254,587
Rollers, shafts, etc.	60,073	8,391	60,340	8,327
Ropes—				
Wire	567,746	33,301	502,464	41,140
Vegetable fibre	6,617	9,682	6,703	9,843
Rubber valves, etc.	22,194	7,669	16,667	8,543
Sanitary requisites	29,467	16,218	33,654	13,926
Screening (including mill screening)	34,089	9,421	30,128	6,521
Animals, vehicles, harness, etc.	8,267	3,678	9,381	3,378
Stationery and printing	130,244	64,531	130,105	57,566
Steel—				
Angle, bar, cast, shafting, tool, etc.	124,551	94,852	105,452	93,867
Sheet	186,059	144,740	116,705	206,509
Chutes	71,318	2,134	75,362	1,774
Hand drill	1,695	3,795	1,371	4,205
Rock drill	256,963	202,825	221,207	226,867
Structural	310,638	29,090	294,855	99,121
Other	20,412	4,441	44,395	2,839
Tar	26,025	4,141	24,786	3,035
Timber—				
Deals (Baltic) . . . . .	.....	222,052	.....	257,683
Oregon and pitch pine . . . . .	.....	526,993	.....	645,066
Other	266,432	88,513	244,675	105,340
Tools, hand	65,414	197,303	62,300	187,880
Trucks and spares	171,857	229,909	161,891	296,724
Waste and sweat rags	20,186	6,570	19,877	5,352
Wire—				
Fencing, netting, gates, etc.	12,246	17,263	12,808	13,725
Underground pack	23,230	9,482	28,770	7,588
Zinc dust . . . . .	.....	51,136	.....	45,261

TRADE OF TRINIDAD IN 1939

G. A. NEWMAN, ACTING CANADIAN TRADE COMMISSIONER

II. Canada's Participation

The value of imports from Canada into Trinidad in 1939 at \$5,039,903 exceeded that of imports in 1938 by \$810,088. A moderate increase in Trinidad's exports to Canada is also indicated in the following total trade figures for the past three years:—

	1939	1938	1937
Imports from Canada	\$5,039,903	\$4,229,815	\$4,342,097
Exports to Canada	2,630,306	2,497,970	1,399,610
Total	\$7,670,209	\$6,727,785	\$5,741,707

Imports from Canada in 1939 accounted for 14·47 per cent of Trinidad's total import trade, exclusive of transshipments, as compared with 11·91 per cent in 1938; this percentage was the highest for any year since 1927-31, when imports from Canada accounted for between 17 and 20 per cent of the total.

The trade balance favourable to Canada rose to \$2,409,597 in 1939 as compared with \$1,731,845 in 1938 and \$2,942,487 in 1937.

FOODSTUFFS

Food and drink imports from Canada in 1939 were valued at \$2,566,342 or 27·54 per cent of the total imports of this class valued at \$9,315,412 as compared with \$2,101,768 or 23·72 per cent of the total imports in 1938 valued at \$8,860,491.

This increase was due in a measure to the outbreak of hostilities in September, 1939, automatically cutting off considerable quantities of foodstuffs usually obtained from the United Kingdom and Europe, and to the policy of local authorities of permitting the import of essential foodstuffs from Canada while enforcing restrictions against other non-sterling countries. Allowance must be made also for the increase in Canadian prices arising from the higher Canadian dollar rate, which was quoted at a premium of 9½ per cent over the Trinidad dollar during the last four months of 1939.

The values of the principal imports of foodstuffs from Canada showing increases in 1939 were as follows:—

Flour, \$1,263,389 (\$1,063,658 in 1938), or 79·9 per cent of the total imports as compared with 59·7 per cent in 1938.

Cold-storage butter, \$41,176 (\$1,451); the increase was due to the difficulty of obtaining New Zealand butter during the latter part of the year.

Potatoes, \$171,872 (\$127,809); the market was dependent entirely on shipments from Canada from September 1.

Beer, \$68,911 (\$28,309); Canada's share of the total trade amounted to 42·5 per cent as compared with 21·9 per cent in 1938. Beer imports from Canada were increasing in 1939 prior to the war, when a number of new brands were established in this market.

Other increases occurred in: canned fish, \$121,491 (\$87,643 in 1938); onions, \$15,315 (\$3,990); mixed feed grains, \$23,954 (\$12,459); mixed feed meals, \$17,304 (\$7,380); condensed milk, \$30,775 (\$20,225); refined sugar, \$10,745 (\$1,613); bacon and ham, \$6,820 (\$799); pickled pork, \$55,631 (\$50,683); manufactured cereals, \$27,749 (\$22,164); and yeast, \$3,503 (\$784).

A demand for split peas during the latter part of the year arose directly from the failure of Continental supplies, which resulted in imports of dried peas and beans from Canada to the value of \$11,067. This is a new trade.

The only noteworthy drop in imports from Canada was in oats, which, in 1939 were valued at \$64,587 as compared with \$78,733 in 1938. Canada's share of the trade, however, remained at 81·1 per cent.

MANUFACTURED PRODUCTS.

With the outbreak of war, Canada assumed a position of primary importance in the supply of manufactured products to Trinidad. Such goods from the United Kingdom and Europe were either delayed in shipment or completely stopped, and supplies from the United States—the only accessible source of supply outside of Canada—were restricted by the colonial policy of conserving sterling exchange through reduced imports from non-sterling countries.

This fact is not fully evident in the 1939 trade returns because of the shortness of the period in which unusual conditions prevailed and because at the outset Canadian products were subject to the same restrictive measures as those of any other non-sterling country. Subsequently this treatment was modified to permit the importation under licence of practically all products of Canadian manufacture except a few items which were deemed non-essential and were refused admission from all countries. Applications for the importation of products from other non-sterling countries are still closely scrutinized by local authorities, and the import licences are usually refused if there is evidence that such products are readily obtainable from Canada at reasonable prices.

Total imports of manufactured products from all countries in 1939 were valued at \$23,057,950, of which Canada supplied to the value of \$1,990,907, or 8·6 per cent as compared with \$1,761,463 or 7·2 per cent of total manufactured imports in 1938 valued at \$24,163,511.

The import values of the principal products contributing to this increase were: cement, \$192,831 (\$73,186 in 1938); iron and steel bars and rods, \$28,528 (\$17,810); wire nails and staples, \$40,091 (\$24,947); railway carriages, \$54,878 (\$9,660); motor vehicles exceeding 3,000 pounds in weight, \$88,763 (\$54,363); cotton shirts, \$79,085 (\$45,552); silk hosiery, \$54,249 (\$30,002); rubber-soled canvas shoes, \$47,312 (\$36,310); cotton manufactures n.o.p., \$5,398 (nil in 1938).

An interesting development was the increase in imports from Canada of leather footwear, consisting largely of ladies' smartly styled but low-priced shoes in wide lasts. Imports in 1939 were valued at \$52,498 as compared with \$14,210 in 1938. This trade was progressing satisfactorily prior to the war and was accelerated by subsequent abnormal conditions.

These increases were offset to some extent by declines in the importation of motor vehicles from Canada. Imports of motor vehicles under 3,000 pounds in weight in 1939 were valued at \$225,660 as compared with \$265,532 in 1938; lorries and vans, \$30,629 (\$60,064); chassis with or without engines or fitted tires, \$124,466 (\$158,823). Local dealers attribute this decline to heavy over-selling in 1938 and to the tendency of the public towards the close of 1939 to purchase small-bore cars manufactured in the United Kingdom.

There were declines also in: metal furniture \$53,056 (\$66,636) in 1938; grey unbleached cottons, \$2,799 (\$6,022); unglazed packing and wrapping paper, \$2,055 (\$20,702); and lubricating oil, \$34,850 (\$42,764).

LUMBER

Imports of raw materials from Canada in 1939 were valued at \$480,588, or 20·7 per cent of total imports valued at \$2,318,624, as compared with \$363,202 or 15·1 per cent of total imports valued at \$2,399,942 in 1938.

Lumber was the main item of import from Canada in this classification, and there were increases in all types supplied. Undressed Douglas fir was imported to the value of \$165,098 as compared with \$137,810 in 1938; dressed Douglas fir, \$82,129 (\$63,121); undressed cedar, \$3,870 (\$3,484); dressed cedar, \$95,853 (\$58,992); and undressed lumber, other sorts (mainly white pine), \$52,156 (\$46,581). The increase in the sale of Western red cedar, indicated above, has been one of the most gratifying features of Canada's lumber trade with Trinidad in recent years. Prior to 1935 it was barely known on this market, but since that time its low price and pest- and moisture-resistant qualities have made it a popular wood for interior woodwork.

Imports of shooks, staves and headings increased to \$47,093 in 1939 as against \$28,249 in 1938. Cedar shingles also showed a moderate increase to \$7,115 as compared with \$3,539 in the previous year.

DETAILS OF IMPORTS

The following are details of 1939 imports of particular interest to Canadian shippers, 1938 figures being shown within parentheses:—

FOODSTUFFS

Oats.—Total, 40,453 cwt., \$79,607 (44,201 cwt., \$96,974): United Kingdom, \$14,121; Canada, \$64,587 (\$78,733).

Grain, n.o.p.—Total, 1,592 cwt., \$5,316 (1,503 cwt., \$3,826): United States, \$1,399; Netherlands, \$1,383; Canada, \$1,757 (\$174).

Beans and Peas, n.o.p.—Total, 36,214 cwt., \$139,585 (47,272 cwt., \$156,606): Netherlands, \$52,933; United States, \$26,083; United Kingdom, \$25,034; Canada, \$11,067 (nil).

Flour.—Total, 667,825 cwt., \$1,579,734 (614,109 cwt., \$1,779,536): United Kingdom, \$149,566; Australia, \$156,545; Canada, \$1,263,389 (\$1,063,658).

Cornmeal.—Total, 8,886 cwt., \$21,967 (8,357 cwt., \$19,311): United States, \$3,214; Canada, \$16,274 (\$14,823).

Other Manufactured Cereals.—Total, 5,361 cwt., \$64,115 (5,438 cwt., \$31,011): United States, \$28,941; Canada, \$27,749 (\$22,164).

Linseed Cake and Meal.—Total, 2,696 tons, \$123,817 (2,223 tons, \$93,479): United States, \$118,433; United Kingdom, \$1,008; Canada, \$4,376 (\$2,401).

Oilseed Cake and Meal, n.o.p.—Total, 169 tons, \$8,428 (104 tons, \$5,356): United Kingdom, \$4,781; United States, \$1,634; Canada, \$2,013 (nil).

Mixed Feeding Stuffs: Grain.—Total, 510 tons, \$26,465 (268 tons, \$14,099): Canada, \$23,954 (\$12,459).

Mixed Feeding Stuffs: Meals.—Total, 386 tons, \$23,326 (248 tons, \$14,922): United Kingdom, \$3,667; United States, \$2,355; Canada, \$17,304 (\$7,380).

Hay.—Total, 94 tons, \$3,759 (99 tons, \$3,512): Canada, \$3,020 (\$3,207).

Pickled and Salted Pork.—Total, 21,640 cwt., \$205,071 (16,330 cwt., \$149,521): United States, \$136,038; Argentina, \$9,766; Canada, \$55,631 (\$50,683).

Ham and Bacon.—Total, 7,481 cwt., \$145,408 (7,115 cwt., \$134,007): Brazil, \$44,932; United Kingdom, \$33,349; Argentina, \$25,491; Uruguay, \$18,017; United States, \$8,588; Denmark, \$7,831; Canada, \$6,820 (\$799).

Meats (Other Sorts), Smoked and Cured.—Total, 1,195 cwt., \$29,124 (1,587 cwt., \$34,758): Denmark, \$23,897; Argentina, \$2,934; Canada, \$1,415 (\$1,337).

Meat Products (Other than Canned).—Total, 6,419 cwt., \$127,073 (4,743 cwt., \$91,804): Argentina, \$34,684; Uruguay, \$21,219; Denmark, \$16,982; United States, \$16,953; Brazil, \$12,519; Poland, \$4,543; Netherlands, \$4,398; Canada, \$1,356 (\$759).

Butter.—Total, 13,003 cwt., \$422,059 (10,923 cwt., \$340,408): United Kingdom, \$151,263; France, \$57,253; Eire, \$51,871; New Zealand, \$50,272; Australia, \$36,205; Argentina, \$29,559; Canada, \$41,176 (\$1,451).

Cheese.—Total, 6,919 cwt., \$131,132 (6,481 cwt., \$130,151): Netherlands, \$12,430; New Zealand, \$7,471; Canada, \$105,378 (\$103,047).

Eggs in Shell.—Total, 4,062 gt. hundreds, \$13,784 (3,050 gt. hundreds, \$10,903): British Guiana, \$2,672; Canada, \$11,045 (\$10,190).

Eggs, not in Shell.—Total, 413 cwt., \$9,853 (359 cwt., \$8,432): United States, \$3,532; Canada, \$4,497 (\$4,509).

Milk, Condensed, or otherwise Preserved (Not less than 9 per cent Butter Fat Content).—Total, 83,769 cwt., \$860,132 (79,884 cwt., \$745,032): Netherlands, \$394,954; United Kingdom, \$52,737; Norway, \$37,790; Denmark, \$33,780; Canada, \$30,775 (\$20,225).

Preserved Milk containing Less than 9 per cent Butter Fat.—Total, 171 cwt., \$1,700 (103 cwt., \$1,015): Canada, \$1,690 (\$981).

Apples.—Total, 4,024 cwt., \$28,680 (4,802 cwt., \$26,848): United States, \$7,121; Canada, \$21,244 (\$21,825).

Onions.—Total, 77,707 bushels, \$96,676 (64,797 bushels, \$75,428): Argentina, \$21,355; Portugal, \$35,210; Egypt, \$12,007; Cyprus, \$7,789; Canada, \$15,315 (\$3,990).

Potatoes.—Total, 91,766 cwt., \$199,315 (92,981 cwt., \$160,917): Netherlands, \$24,556; Canada, \$171,872 (\$127,809).

Fresh Vegetables n.o.p.—Total, 31,596 cwt., \$73,657 (27,376 cwt., \$60,980): British West Indies, \$35,947; British Guiana, \$13,791; Canada, \$19,838 (\$20,959).

Beer.—Total, 3,523 bbls. of 36 gals., \$161,881 (3,820 bbls. of 36 gals., \$128,706): United Kingdom, \$89,537; Netherlands, \$2,021; Canada, \$68,911 (\$28,309).

Confectionery of Cocoa.—Total, 1,570 cwt., \$49,269 (2,066 cwt., \$51,728): United Kingdom, \$42,407; Canada, \$6,303 (\$4,636).

Cocoa Preparations n.o.p.—Total, 1,367 cwt., \$23,830 (1,582 cwt., \$23,334): United Kingdom, \$21,721; Canada, \$1,933 (\$2,362).

Coffee (Dried, Roasted or Ground).—Total, 9,574 lbs. \$2,882 (10,857 lbs., \$3,124): Canada, \$2,439 (\$2,877).

Whisky (in Bottles, not Overproof).—Total, 15,818 proof gals., \$131,593 (14,020 proof gals., \$109,484): United Kingdom, \$127,621; Canada, \$1,896 (\$855).

Unsweetened Biscuits.—Total, 461 cwt., \$14,420 (390 cwt., \$12,632): United Kingdom, \$3,841; Eire, \$1,829; United States, \$1,714; Canada, \$6,907 (\$5,416).

Confectionery n.o.p.—Total, 5,486 cwt., \$68,104 (3,884 cwt., \$67,822): United Kingdom, \$54,898; United States, \$6,734; Canada, \$4,874 (\$2,744).

Salted Codfish.—Total, 53,720 cwt., \$388,986 (53,835 cwt., \$384,584): Newfoundland, \$105,078; United Kingdom, \$4,255; Canada, \$279,622 (\$277,505).

Cured and Salted Fish n.o.p., including Herring.—Total, 7,344 cwt., \$52,748 (7,391 cwt., \$48,494): Newfoundland, \$11,262; United States, \$5,619; United Kingdom, \$2,886; Canada, \$30,149 (\$34,505).

Canned Fish.—Total, 11,461 cwt., \$170,065 (9,162 cwt., \$133,209): United States, \$39,259; Canada, \$121,491 (\$87,643).

Fruit, Canned or Bottled in Syrup.—Total, 1,801 cwt., \$25,837 (1,340 cwt., \$18,456): United States, \$12,632; United Kingdom, \$1,526; Canada, \$9,084 (\$6,535).

Jams, Marmalade and Fruit Jelly.—Total, 1,466 cwt. \$21,353 (1,368 cwt., \$19,129): United Kingdom, \$14,620; United States, \$2,204; Canada, \$3,379 (\$1,413).

Lard.—Total, 296 cwt., \$3,979 (317 cwt., \$4,682): Canada, \$3 378 (\$4,026).

Lard Substitutes.—Total, 288 cwt., \$4,423 (554 cwt., \$6,582): United Kingdom, \$1,963; Canada, \$2,446 (\$2,032).

Pickles and Vegetables in Vinegar.—Total, 8,054 gals., \$11,236 (5,899 gals., \$12,541): United Kingdom, \$5,099; United States, \$1,218; Canada, \$4,380 (\$4,045).

Condiments n.o.p.—Total, 1,112 cwt., \$18,174 (977 cwt., \$16,734): United Kingdom, \$5,337; United States, \$4,259; Canada, \$6,242 (\$5,111).

Icing Sugar.—Total, 1,119 cwt., \$6,269 (1,085 cwt., \$4,670): United States, \$1,857; Canada, \$4,295 (\$3,471).

Refined Sugar n.o.p.—Total, 3,233 cwt., \$10,994 (311 cwt., \$1,884): Canada, \$10,745 (\$1,613).

Canned and Preserved Vegetables.—Total, 3,133 cwt., \$40,818 (3,096 cwt., \$38,021): United States, \$4,704; United Kingdom, \$4,019; Canada, \$21,820 (\$18,031).

Yeast.—Total, 1,739 cwt., \$35,330 (1,304 cwt., \$26,435): United States, \$17,604; Brazil, \$14,223; Canada, \$3,503 (\$784).

Preparations and Provisions n.o.p.—Total, \$169,936 (\$144,903): United Kingdom, \$80,595; United States, \$34,363; Canada, \$38,911 (\$24,510).

Unmanufactured Leaf Tobacco (containing Less than 25 per cent moisture).—Total, 1,094,836 lbs., \$347,906 (901,712 lbs., \$256,039): United States, \$330,900; India, \$10,042; Canada, \$4,568 (\$3,606).

RAW MATERIALS AND ARTICLES MAINLY UNMANUFACTURED

Undressed Cedar.—Total, 158 loads, \$3,870 (134 loads, \$3,484): all from Canada.

Undressed Douglas Fir.—Total, 8,317 loads, \$200,257 (6,268 loads, \$137,810): United States, \$35,159; Canada, \$165,098 (\$137,810).

Undressed Lumber (Other Sorts).—Total, 298 loads, \$10,720 (275 loads, \$9,226): United States, \$2,946; Canada, \$7,774 (\$8,035).

Dressed Cedar.—Total, 4,298 loads, \$58,536 (2,715 loads, \$58,992): Canada, \$95,853 (\$58,992).

Dressed Douglas Fir.—Total, 4,078 loads, \$86,583 (2,398 loads, \$63,295): United States, \$4,454; Canada, \$82,129 (\$63,121).

Dressed Lumber (Other Sorts).—Total, 1,727 loads, \$52,977 (1,090 loads, \$46,581): Canada, \$52,156 (\$46,581).

Shingles.—Total number, 685,970, \$7,149 (318,936, \$3,738): Canada, \$7,115 (\$3,539).

Oak Staves and Headings (Other than White Oak).—Total number, 40,050, \$1,518 (no separate classification): Canada, \$1,262 (no separate classification).

Staves and Headings (Other Sorts).—Total number, 3,531,547, \$82,229 (7,696,303, \$120,083): United States, \$34,673; Canada, \$47,093 (\$28,249).

Wood n.o.p. (Sleepers, Telephone Poles, etc.).—Total, \$36,049 (\$12,226): United Kingdom, \$14,841; Germany, \$8,664; Canada, \$6,903 (nil).

Tallow.—Total, 84 tons, \$10,856 (7 tons, \$997): United Kingdom, \$5,109; Australia, \$1,018; Canada, \$3,583 (\$810).

Linsced Oil.—Total, 179 tons, \$28,103 (205 tons, \$28,920): United Kingdom, \$21,738; Canada, \$6,365 (nil).

ARTICLES WHOLLY OR MAINLY MANUFACTURED

Pottery and Clay Products n.o.p.—Total, \$8,723 (\$5,608): United Kingdom, \$4,343; United States, \$2,184; Canada, \$1,923 (\$2,365).

Glass Bottles and Jars.—Total, 10,827 gross, \$43,363 (8,700 gross, \$38,203): Germany, \$18,901; United Kingdom, \$12,178; United States, \$5,281; Netherlands, \$4,575; Canada, \$1,639 (\$1,454).

Cement.—Total, 43,061 tons, \$731,294 (48,066 tons, \$751,480): United Kingdom, \$514,297; Germany, \$14,352; Belgium, \$8,846; Canada, \$192,831 (\$73,186).

Iron and Steel Bars and Rods.—Total, 1,270 tons, \$80,449 (1,371 tons, \$97,242): United Kingdom, \$27,537; Belgium, \$16,482; United States, \$7,270; Canada, \$28,528 (\$17,810).

Iron and Steel Angles, Shapes, Sections, Girders, etc.—Total, 2,953 tons, \$342,796 (4,705 tons, \$584,185): United Kingdom, \$256,958; United States, \$73,435; Canada, \$10,151 (\$13,619).

Tubes, Pipes and Fittings up to 6 inches in Diameter.—Total, 9,338 tons, \$1,400,582 (13,184 tons, \$2,150,276): United Kingdom, \$666,278; United States, \$630,706; Netherlands, \$26,043; Belgium, \$18,481; Germany, \$12,795; France, \$12,390; Canada, \$31,428 (\$39,552).

Tubes, Pipes and Fittings over 6 inches in Diameter.—Total, 10,889 tons, \$1,302,898 (16,027 tons, \$1,809,345): United Kingdom, \$834,613; United States, \$401,369; France, \$41,729; Poland, \$9,904; Netherlands, \$6,384; Germany, \$3,705; Canada, \$3,047 (\$1,009).

Fencing Wire.—Total, 60 tons, \$5,616 (35 tons, \$4,181): Germany, \$2,256; Canada, \$2,176 (\$2,838).

Wire Netting, Fencing and Mesh.—Total, 210 tons, \$42,005 (192 tons, \$36,401): United Kingdom, \$26,194; United States, \$6,295; Canada, \$9,125 (\$7,192).

Wire Nails and Staples.—Total, 834 tons, \$54,126 (555 tons, \$34,231): United Kingdom, \$5,731; United States, \$5,669; Canada, \$40,091 (\$24,947).

Wire Manufactures n.o.p.—Total, \$75,935 (\$79,787): United States, \$36,510; United Kingdom, \$32,278; Canada, \$4,732 (\$4,738).

Bolts, Nuts, Rivets, Washers, Screws, etc.—Total, 298 tons, \$60,330 (356 tons, \$66,294): United Kingdom, \$34,536; United States, \$13,110; Germany, \$4,621; Canada, \$5,145 (\$3,542).

Metal Furniture, including Office Furniture.—Total, 477 tons, \$174,011 (479 tons, \$199,780): United States, \$63,327; United Kingdom, \$55,047; Canada, \$53,056 (\$66,636).

Hollowware n.o.p.—Total, 160 tons, \$63,689 (352 tons, \$86,294): Germany, \$40,820; United Kingdom, \$12,117; United States, \$3,414; Japan, \$3,284; Canada, \$1,285 (\$734).

Manufactures of Iron and Steel n.o.p.—Total, \$606,714 (\$750,154): United Kingdom, \$348,471; United States, \$193,550; Belgium, \$24,653; Germany, \$16,332; Netherlands, \$8,426; Canada, \$10,281 (\$5,564).

Manufactures of Brass and Copper Alloys n.o.p.—Total, 9,739 cwt., \$358,481 (5,229 cwt., \$216,126): United States, \$168,039; United Kingdom, \$136,080; Germany, \$21,928; Netherlands, \$15,936; India, \$4,009; Canada, \$9,263 (\$8,186).

Copper Manufactures n.o.p.—Total, 4,723 cwt., \$92,558 (1,636 cwt., \$35,649): United Kingdom, \$88,419; United States, \$1,553; Canada, \$1,388 (\$432).

Unwrought or Part Wrought Metals n.o.p.—Total, 336 cwt., \$14,944 (281 cwt., \$14,509): United Kingdom, \$7,401; United States, \$5,115; Spain, \$1,226; Canada, \$1,113 (\$357).

Wrought and Manufactured Metals (Other than Printing Type).—Total, 1,165 cwt., \$21,004 (424 cwt., \$14,839): United Kingdom, \$11,450; United States, \$3,730; Germany, \$2,028; Netherlands, \$1,293; Canada, \$1,014 (\$78).

Razor Blades.—Total, 4,984 gross, \$10,123 (5,733 gross, \$6,672): Germany, \$1,696; United States, \$1,395; United Kingdom, \$1,260; Canada, \$5,772 (\$3,736).

Hardware (Other than Hollowware n.o.p.).—Total, 4,125 cwt., \$132,426 (4,301 cwt., \$128,917): United Kingdom, \$57,038; United States, \$52,703; Germany, \$9,537; Sweden, \$4,195; Canada, \$7,357 (\$6,832).

Agricultural and Horticultural Tools (Other than Secateurs).—Total, \$44,430 (\$47,707): United Kingdom, \$33,238; United States, \$8,934; Canada, \$1,413 (\$482).

Artisan's Tools.—Total, \$93,372 (\$108,274): United States, \$47,166; United Kingdom, \$37,712; Canada, \$3,684 (\$1,022).

Scientific Supplies (Surgical and Dental Other than Instruments).—Total, \$19,867 (\$4,953): United States, \$9,007; United Kingdom, \$8,880; Canada, \$1,531 (\$90).

Photographic and Cinematograph Appliances and Accessories, excluding Chemicals.—Total, \$37,095 (\$44,293): United States, \$18,135; United Kingdom, \$10,290; Germany, \$2,202; Canada, \$4,465 (\$2,731).

Clocks (Other than Electrical).—Total number, 10,349, \$9,836 (9,417, \$10,824): Germany, \$5,515; Canada, \$2,439 (\$2,003).

Watches.—Total number, 18,465 \$35,876 (11,706, \$8,474): Switzerland, \$27,036; United States, \$3,778; Canada, \$1,275 (\$1,058).

Insulated Electric Wires and Cables.—Total, \$213,996 (\$156,539): United Kingdom, \$192,525; United States, \$12,883; France, \$2,943; Germany, \$2,453; Canada, \$2,187 (\$1,679).

Telephone and Telegraph Apparatus (Other Sorts).—Total, \$31,137 (\$50,235): United Kingdom, \$20,795; United States, \$4,772; Canada, \$4,503 (\$3,484).

Primary Batteries.—Total, \$27,602 (\$26,920): United States, \$23,703; Canada, \$1,508 (\$1,334).

Accumulators, including Parts.—Total, \$25,225 (\$21,559): United States, \$7,907; Canada, \$14,673 (\$12,860).

Electrical Goods and Apparatus n.o.p.—Total, \$323,175 (\$249,191): United Kingdom, \$226,761; United States, \$74,452; Canada, \$16,513 (\$10,566).

Electrical Machinery.—Total, 325 tons, \$258,249 (237 tons, \$248,180): United Kingdom, \$188,901; United States, \$50,233; Canada, \$9,976 (\$2,018).

Lawn Mowers.—Total, 10½ tons, \$6,084 (9 tons, \$7,228): United Kingdom, \$2,194; United States, \$2,509; Canada, \$1,381 (\$231).

Typewriters.—Total number, 477, \$24,589 (494, \$27,376): United States, \$16,448; United Kingdom, \$3,114; Canada, \$4,199 (\$5,833).

Oil Refining Machinery.—Total, 587 tons, \$288,080 (684 tons, \$308,533): United States, \$167,589; United Kingdom, \$62,637; Germany, \$35,624; Netherlands, \$20,980; Canada, \$1,250 (\$3,272).

Machines and Machinery n.o.p.—Total, 2,109 tons, \$1,296,876 (1,864 tons, \$1,393,124): United States, \$799,855; United Kingdom, \$422,911; Germany, \$39,437; Netherlands, \$13,041; Canada, \$10,290 (\$7,462).

Wooden Furniture and Cabinet Ware, including Parts.—Total, \$71,464 (\$106,832): Poland, \$24,594; United States, \$11,303; Canada, \$16,038 (\$17,442).

Builders' Woodwork (Doors, etc.).—Total, \$8,171 (\$28,013): Canada, \$6,841 (\$6,707).

Plywood.—Total, \$2,330 (\$1,321): Canada, \$1,112 (\$741).

Manufactures of Wood n.o.p.—Total, \$52,224 (\$37,952): United Kingdom, \$13,920; United States, \$4,869; Hongkong, \$5,507; Canada, \$8,111 (\$6,267).

Cottons, Grey, Unbleached.—Total, 480,303 sq. yards, \$38,401 (683,333 sq. yd., \$51,333): United States, \$11,246; United Kingdom, \$9,254; Canada, \$2,799 (\$6,022).

Made-up Cotton Goods.—Total, \$188,611 (\$148,168): Japan, \$109,003; United Kingdom, \$56,762; United States, \$11,157; Canada, \$1,755 (\$384).

Cotton Manufactures n.o.p. (Cotton Waste, Wadding, etc.).—Total, \$48,613 (\$50,132): United Kingdom, \$33,992; United States, \$6,258; Canada, \$5,398 (nil).

Rope and Twine of Cotton (under ¼ inch in diameter).—Total, 658 cwt., \$25,060 (553 cwt., \$20,062): United Kingdom, \$16,763; Canada, \$5,100 (\$4,976).

Rope and Twine of Hemp (¼ inch and over).—Total, 2,673 cwt., \$26,173: United Kingdom, \$23,435; Canada, \$1,658 (\$1,553).

Apparel (Overcoats, Mackintoshes, etc.).—Total number, 7,661, \$15,472 (5,026, \$13,340): United Kingdom, \$6,891; Canada, \$3,396 (\$1,642).

Women's and Girls' Outer Garments.—Total, \$134,192 (\$84,576): United States, \$79,659; Japan, \$34,026; Canada, \$6,843 (\$8,614).

Undergarments (Shirts).—Total, \$367,278 (\$192,790): Hongkong, \$210,270; Japan, \$37,082; United Kingdom, \$23,136; Canada, \$79,085 (\$45,552).

Men's Shorts and Vests.—Total, \$116,040 (\$83,829): Hongkong, \$86,047; United Kingdom, \$15,046; Canada, \$12,047 (\$6,604).

Other Undergarments (not including Hosiery).—Total, \$64,468 (\$44,442): Japan, \$28,775; United States, \$16,813; Canada, \$5,151 (\$3,044).

Leather Boots and Shoes n.o.p.—Total, 36,514 dozen pairs, \$509,091 (32,395 doz. pairs, \$437,110): United Kingdom, \$414,224; Czechoslovakia, \$26,725; Canada, \$52,498 (\$14,210).

Hats and Caps, etc.—Total, 42,148 dozen, \$209,271 (40,607 dozen, \$202,647): United Kingdom, \$124,411; United States, \$18,925; Italy, \$18,805; Hongkong, \$12,581; Japan, \$12,232; Canada, \$7,106 (\$1,739).

Cotton Hosiery.—Total, 16,969 dozen pairs, \$19,043 (10,945 doz. pairs, \$12,211): Hongkong, \$7,944; Canada, \$8,273 (\$3,307).

Silk Hosiery.—Total, 9,546 dozen pairs, \$58,570 (5,450 doz. pairs, \$31,556): Canada, \$54,249 (\$30,002).

Artificial Silk Hosiery.—Total, 53,535 dozen pairs, \$70,233 (38,805 doz. pairs, \$51,715): Hongkong, \$30,245; United Kingdom, \$24,448; Canada, \$14,166 (\$6,553).

Cotton Underwear (other than Men's Shorts and Vests).—Total, 23,009 dozen, \$15,842 (33,382 doz., \$28,926): Japan, \$12,605; Canada, \$1,397 (\$514).

Artificial Silk Underwear.—Total, 18,671 dozen, \$32,300 (19,168 doz., \$27,375): Japan, \$11,115; Canada, \$5,777 (\$3,086).

Cotton Pullovers, Sweaters, etc.—Total, \$14,199 (\$13,334): Hongkong, \$3,069; United States, \$2,065; Canada, \$4,764 (\$4,489).

Sweaters, etc.: Wool.—Total, \$13,017 (\$7,902): United Kingdom, \$5,860; Canada, \$4,298 (\$3,771).

Sweaters, etc. (Other Materials).—Total, \$6,090 (\$446): United States, \$4,320; Canada, \$1,431 (\$161).

Neckwear, Ties, etc.—Total, 10,709 dozen, \$27,373 (7,505 doz., \$15,514): United Kingdom, \$9,881; Canada, \$12,518 (\$4,409).

Apparel, n.o.p.—Total, \$45,038 (\$36,298): United Kingdom, \$16,089; United States, \$12,613; Canada, \$3,753 (\$2,552).

Calcium Carbide.—Total, 4,531 cwt., \$20,620 (\$24,218): Switzerland, \$3,010; Canada, \$13,870 (\$18,159).

Medicinal Spirits n.o.p.—Total, 8,517 gallons, \$57,936 (8,158 gals., \$56,390): United States, \$22,220; British Guiana, \$14,033; United Kingdom, \$13,471; Canada, \$7,802 (\$7,748).

Proprietary Medicines n.o.p.—Total, \$237,041 (\$174,443): United States, \$80,064; United Kingdom, \$85,414; Germany, \$21,352; Canada, \$39,922 (\$32,491).

Drugs, Medicines (Manufactured or Prepared) n.o.p.—Total, \$37,973 (\$29,301): United Kingdom, \$15,147; United States, \$7,841; Canada, \$8,086 (\$8,616).

White Lead.—Total, \$7,172 (\$5,771): United Kingdom, \$5,788; Canada, \$1,384 (\$907).

Ready-mixed Paints.—Total, 7,162 cwt., \$118,011 (6,746 cwt., \$109,710): United Kingdom, \$75,141; United States, \$12,969; Canada, \$26,062 (\$25,095).

Medicinal Oils.—Total, 502 cwt., \$18,835 (495 cwt., \$17,878): United Kingdom, \$5,295; United States, \$3,773; Canada, \$7,374 (\$7,502).

Enamels.—Total, 556 cwt., \$21,305 (640 cwt., \$21,084): United States, \$10,427; United Kingdom, \$5,433; Canada, \$5,415 (\$4,154).

Distempers (Dry or not).—Total, 1,168 cwt., \$14,781 (697 cwt., \$8,331): United Kingdom, \$9,173; Canada, \$5,247 (\$3,399).

Putty.—Total, \$7,592 (\$8,769): United Kingdom, \$6,252; Canada, \$1,142 (nil).

Varnish and Lacquer.—Total, 12,240 gallons, \$29,887 (10,528 gals., \$21,855): United Kingdom, \$8,673; United States, \$12,915; Canada, \$8,293 (\$5,758).

Other Descriptions: Zinc-white, etc.—Total, 4,313 cwt., \$43,937 (4,187 cwt., \$44,273): United Kingdom, \$36,531; Canada, \$6,823 (\$3,111).

Lubricating Grease.—Total, 3,536 cwt., \$25,584 (2,869 cwt., \$19,109): United States, \$12,253; United Kingdom, \$6,843; Canada, \$6,364 (\$4,205).

Lubricating Oil.—Total, 514,087 gallons, \$245,510 (440,295 gals., \$191,739): United States, \$99,369; United Kingdom, \$94,922; Canada, \$34,850 (\$42,764).

Hard Soap (Washing).—Total, 29,790 cwt., \$167,319 (31,507 cwt., \$194,729): United Kingdom, \$164,514; Canada, \$2,750 (\$6,212).

Toilet Soap.—Total, 2,457 cwt., \$56,127 (2,494 cwt., \$55,631): United Kingdom, \$37,216; Canada, \$12,544 (\$14,064).

Dressed Leather.—Total, 126,220 sq. ft., \$25,474 (133,799 sq. ft., \$26,870): United States, \$7,602; United Kingdom, \$8,134; Canada, \$2,627 (\$3,500).

Trunks, Bags, Wallets.—Total, \$70,677 (\$53,727): United Kingdom, \$25,797; United States, \$31,763; Canada, \$5,575 (\$2,944).

Printing Paper.—Total, 16,139 cwt., \$57,877 (8,650 cwt., \$30,487): United Kingdom \$33,864; Finland, \$1,023; Canada, \$19,207 (\$17,165).

Un glazed Packing and Wrapping Paper.—Total, 12,284 cwt., \$62,614 (19,862 cwt., \$103,590): Sweden, \$26,657; Germany, \$11,278; Denmark, \$4,411; Canada, \$2,055 (\$20,702).

Stationery.—Total, 7,267 cwt., \$156,921 (4,594 cwt., \$124,638): United Kingdom, \$124,417; United States, \$20,757; Canada, \$9,036 (\$8,051).

Paper Bags.—Total, 9,567 cwt., \$63,544 (9,833 cwt., \$63,497): United States, \$40,010; United Kingdom, \$7,847; Canada, \$13,250 (\$17,217).

Cardboard Boxes and Cartons.—Total, 3,872 cwt., \$48,220 (2,838 cwt., \$35,012): Belgium, \$25,888; United States, \$6,731; Canada, \$13,429 (\$5,654).

Wallboards not exceeding ½ inch in Thickness.—Total, 1,803 cwt., \$12,427 (1,988 cwt., \$15,481): United States, \$7,527; Canada, \$2,936 (\$1,998).

Wallboards exceeding ½ inch in Thickness.—Total, 5,170 cwt., \$30,154 (7,023 cwt., \$37,113): United States, \$6,888; Canada, \$16,434 (\$13,432).

Manufactures of Paper n.o.p.—Total, 7,335 cwt., \$142,100 (7,198 cwt., \$130,774): United States, \$27,783; United Kingdom, \$75,157; Canada, \$25,684 (\$18,327).

Locomotive Parts (except Axles, Tires, and Wheels).—Total, 18 tons, \$15,993 (41 tons, \$30,023): United Kingdom, \$9,397; United States, \$2,845; Canada, \$2,712 (\$3,645).

Railway Carriages, Complete.—Total number, 283, \$155,428 (93, \$45,748): Belgium, \$98,000; Canada, \$54,878 (\$9,660).

Motor Vehicles not exceeding 3,000 Lbs. in Weight.—Total number, 529, \$400,041 (560, \$399,894): United Kingdom, \$163,733; Canada, \$225,660 (\$265,532).

Motor Vehicles exceeding 3,000 Lbs. in Weight.—Total number, 93, \$99,643 (79, \$80,131): United Kingdom, \$6,078; Canada, \$88,763 (\$54,363).

Lorries and Vans.—Total number, 90, \$80,389 (141, \$96,270): United Kingdom, \$25,231; United States, \$24,529; Canada, \$30,629 (\$60,064).

Mechanically Propelled Vehicles n.o.p.—Total number, 26, \$83,559 (57, \$91,105): United Kingdom, \$67,047; United States, \$13,012; Canada, \$3,500 (\$8,993).

Vehicles, Other than Mechanically Propelled, excluding Bicycles.—Total number, 2,434, \$20,645 (2,172, \$30,449): United Kingdom, \$8,846; United States, \$10,197; Canada, \$1,275 (\$452).

Tires, Outer Covers, for Motor Cars.—Total number, 11,292, \$146,261 (13,091, \$154,565): United Kingdom, \$39,640; United States, \$13,396; Canada, \$90,949 (\$94,168).

Inner Tubes for Motor Cars.—Total number, 10,769, \$15,933 (10,703, \$16,406): United Kingdom, \$4,746; Canada, \$9,588 (\$9,333).

Chassis with or without Engines or Fitted Tires.—Total number, 200, \$154,579 (306, \$226,601): United Kingdom, \$24,857; Canada, \$124,466 (\$158,823).

Motor Car Parts.—Total, \$174,802 (\$142,811): United States, \$90,923; United Kingdom, \$31,198; Canada, \$50,145 (\$35,439).

Rubber-soled Canvas Shoes.—Total, 34,483 dozen pairs, \$143,580 (24,303 doz. pairs, \$101,341): India, \$42,656; Hongkong, \$28,838; Czecho-Slovakia, \$10,446; United Kingdom, \$13,895; Canada, \$47,312 (\$36,310).

Rubber Heels.—Total, 332 cwt., \$5,791 (449 cwt., \$7,373): Canada, \$5,548 (\$6,638).

Rubber Manufactures n.o.p.—Total, \$76,461 (\$85,954): United States, \$38,102; United Kingdom, \$20,740; Canada, \$13,701 (\$9,189).

Printed Books.—Total, \$168,778 (\$155,691): United Kingdom, \$85,684; United States, \$64,834; Canada, \$11,175 (\$9,217).

Brooms and Brushes, Household.—Total, 4,475 dozen, \$8,671 (3,967 doz., \$9,256): United Kingdom, \$3,593; Canada, \$3,204 (\$4,010).

Toilet Brushes.—Total, 23,209 dozen, \$18,283 (21,658 doz., \$15,783): United Kingdom, \$5,197; United States, \$3,422; Canada, \$4,131 (\$2,404).

Painters' and Decorators' Brushes.—Total, 3,244 dozen, \$8,276 (2,797 doz., \$8,835): United Kingdom, \$3,895; Canada, \$3,256 (\$3,083).

Brushes n.o.p.—Total, \$12,203 (\$10,540): Canada, \$1,641 (\$358).

Leather Cloth and Other Oilcloth.—Total, 120,691 square yards, \$19,355 (85,095 sq. yds., \$12,068): United States, \$5,408; Canada, \$10,983 (\$4,805).

Hard Haberdashery (Buttons, etc.).—Total, \$34,826 (\$28,249): United Kingdom, \$8,829; Japan, \$13,662; United States, \$7,922; Canada, \$1,016 (\$618).

Goldsmith's and Silversmith's Wares (Spoons and Forks).—Total, 2,739 dozen, \$7,063 (1,902 doz., \$4,796): United Kingdom, \$5,734; Canada, \$1,109 (\$450).

Goldsmith's and Silversmith's Wares n.o.p.—Total, \$24,647 (\$25,379): United Kingdom, \$17,473; United States, \$3,587; Canada, \$2,149 (\$1,927).

Lamps and Lanterns n.o.p.—Total number, 32,616, \$16,287 (46,612, \$18,299): United States, \$3,956; Germany, \$6,002; Canada, \$1,745 (\$1,189).

Machinery Belting.—Total, 115 cwt., \$10,546 (198 cwt., \$21,236): United Kingdom, \$5,575; United States, \$3,693; Canada, \$1,236 (\$2,056).

Solid Cosmetics and Toilet Preparations.—Total, \$101,026 (\$83,443): United States, \$61,099; United Kingdom, \$27,090; Canada, \$10,321 (\$6,293).

Floor Polishes.—Total, 447 cwt., \$12,265 (\$11,534): United Kingdom, \$9,468; Canada, \$2,123 (\$1,272).

Stationery (Other than Paper).—Total, \$62,059 (\$52,885): United States, \$21,410; United Kingdom, \$28,388; Canada, \$7,878 (\$1,472).

Toys, All Kinds.—Total, \$39,685 (\$39,522): United States \$18,801; Japan, \$6,798; United Kingdom, \$6,561; Canada \$3,488 (\$3,321).

Manufactured Foods n.o.p.—Total, \$250,110 (\$205,759); United States, \$79,859; United Kingdom, \$73,668; Canada \$20,290 (\$14,557).

Horses.—Total, number, 36, \$10,895 (112, \$20,733); United Kingdom, \$6,824; Canada, \$2,013 (\$2,217).

OTHER IMPORTS FROM CANADA

Following is a list of items which Canada supplied to a value of less than \$1,000, total values of imports being shown, with Canada's share within parentheses:—

Corn, \$40,925 (\$48); bran and pollards, \$18,807 (\$420); feeding stuffs n.o.p., \$7,790 (\$760); pickled and salted beef and veal, \$108,697 (\$77); pickled and salted meats, other sorts, \$519 (\$327); sweetened biscuits, \$21,953 (\$913); fresh and frozen fish, \$9,298 (\$481); animal fats, \$427 (\$361); vegetable fat n.o.p., \$8,593 (\$212); mustard, \$3,568 (\$198); vinegar, \$4,343 (\$340); undressed pitch pine, \$269,455 (\$335); ground nuts, \$43,563 (\$515); agricultural and horticultural seeds (other than oil), \$7,785 (\$464); china, \$42,716 (\$625); domestic and fancy glassware, \$4,280 (\$60); figured and ornamented glassware, \$25,716 (\$92); polished, bevelled and silvered glassware, \$16,211 (\$200); plate and sheet glass n.o.p., \$2,858 (\$218); milk bottles, \$1,839 (\$89); other bottles and jars, \$8,016 (\$69); glass and glassware n.o.p., \$9,998 (\$353); abrasives other than grinding wheels, \$5,811 (\$68); asbestos sheets, slates, etc., \$39,830 (\$796); asbestos, other manufactures, \$39,704 (\$63); iron and steel, hoop and strip, \$4,921 (\$92); iron and steel plates and sheets, \$95,668 (\$92); corrugated iron and steel, \$190,643 (\$68); railway material other than rails, \$22,625 (\$475); domestic and sanitary goods other than furniture and hollowware, \$88,013 (\$913); aluminium domestic hollowware, \$4,612 (\$161); aluminium manufactures n.o.p., \$16,221 (\$118); metals and manufactures n.o.p. \$5,340 (\$444); type metal, \$1,471 (\$59); cutlery, \$16,717 (\$428); safety razors complete, \$2,498 (\$594);

tools n.o.p., \$155,823 (\$207); cameras, not including lenses, \$6,566 (\$144); wireless telegraph apparatus, \$88,327 (\$104); electric light bulbs under 20 volts, \$5,702 (\$371); other lighting appliances, \$31,142 (\$584); cooking and heating appliances other than stoves, \$8,171 (\$274); agricultural machinery other than tractors and parts, \$23,430 (\$260); electrical refrigerators, \$28,645 (\$387); metal-working machine tools and parts, \$65,323 (\$260); marine internal combustion engines, \$30,817 (\$135); marine steam engines, \$77,159 (\$125); printing and bookbinding machinery, \$50,880 (\$229); tool handles for agricultural implements, \$1,142 (\$266); tool handles, other sorts, \$1,581 (\$140); domestic woodenware, \$4,702 (\$113); small wares, including ribbons, etc., \$7,645 (\$265); woollen and worsted yarns and manufactures, \$4,455 (\$411); silk manufactures n.o.p., \$2,030 (\$47); art silk piece-goods, \$392,909 (\$453); art silk manufactures n.o.p., \$22,814 (\$314); art silk mixtures other than piece-goods, \$80,550 (\$115); rope and twine of hemp under $\frac{1}{2}$ inch in diameter, \$8,752 (\$631); rope and twine, other kinds, \$7,034 (\$333); rope and twine, other, \$18,773 (\$497); linen and hemp manufactures, \$40,900 (\$70); men's and boys' outer garments, \$46,101 (\$166); other outer garments, \$15,938 (\$487); pyjamas, \$67,473 (\$577); corsets and stays, girls', \$9,840 (\$768); soft haberdashery, \$5,110 (\$229); woollen hosiery, \$6,025 (\$97); disinfectants, insecticides, \$46,073 (\$742); fine salt (sodium chloride), \$46,467 (\$50); chemicals n.o.p., \$405,718 (\$734); quinine and quinine salts, \$11,674 (\$46); salvarsan, etc., \$9,299 (\$537); barytes, ground, \$325,793 (\$531); ship's bottom composition, \$12,947 (\$228); candles other than tallow, \$38,975 (\$103); abrasive soap, hard or in powder, \$8,511 (\$292); soap, powder and flake other than abrasive, \$4,463 (\$398); turpentine and substitutes, \$6,161 (\$590); linoleum, \$4,738 (\$865); leather goods n.o.p., \$9,227 (\$227); cardboard, mill board, etc., not including wallboard, \$15,358 (\$511); loaded sporting cartridges, \$8,320 (\$187); jewelry, gold, silver, etc., \$29,021 (\$802); perfumery, cosmetics, etc., \$11,911 (\$302); metal polishes \$7,852 (\$416); perfumed spirits n.o.p., \$25,095 (\$384); sports and games other than balls for golf and tennis n.o.p., \$33,298 (\$919).

MARKET OPPORTUNITIES IN AUSTRALIA FOR ELECTRICAL MACHINERY AND EQUIPMENT

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

Sydney, June 3, 1940.—The rapid expansion of secondary industries in Australia has been particularly noticeable in the production of electrical machinery, equipment and appliances to meet the needs of both heavy and light industries in addition to the general electrical requirements of the Australian public. Recent official statistics issued by the Commonwealth Statistician on this important phase of Australian development are, therefore, of considerable interest, particularly to Canadian manufacturers who supply a wide range of electrical products to the Commonwealth.

DOMESTIC PRODUCTION

The number of factories producing electrical machinery and equipment in the Commonwealth of Australia has increased since 1930 from 231 to 360 in 1938-39, the distribution of these factories by States being as follows: New South Wales, 148; Victoria, 132; South Australia, 32; Western Australia, 28; Queensland, 16; Tasmania, 4.

In June, 1939, the number of persons employed in this industry was 10,666, the annual wage scale being approximately £A2,000,000. It is of particular interest from the standpoint of increased competition with overseas suppliers, as apart from protective tariff duties, that the ratio per cent of salaries and wages to value of production has decreased from 68.03 per cent in 1930-31 to 55.57 per cent in 1938-39. Similarly the value of output per person engaged increased during the same period from £A529 to £A652, while the value of production per person engaged increased from £A284 to £A343. Of some interest also is the fact that, despite the foregoing increased efficiency, salaries and wages per employee decreased from £A201 in 1930-31 to £A195 in 1938-39.

The range of electrical equipment now produced in Australia, although far from being sufficient to meet domestic requirements, is nevertheless impressive

and varied, as shown by the following list of articles produced during the fiscal year 1938-39:—

	No.	£A.
Dynamos—		
Alternators	72	4,517
Generators	455	13,092
Motors—		
Alternating current	31,332	319,104
Direct current	304	33,686
Transformers and Converters—		
Above 20 K.V.A.:—		
For use in supplying industrial power and light	1,712	341,773
For industrial use other than power and light	165	9,345
Below 20 K.V.A.:—		
For use in Neon signs	13,228	28,428
For use in radio and electrical toys	23,264	9,330
For industrial use other than the supply of power and light	9,779	42,862
Electric batteries—		
Dry . . . . .	.....	525,000
Wet	12,164	41,539
Accumulators (automobile, radio)	475,033	615,011
Bulbs and small tubes for electric light . . . . .	.....	206,000
Apparatus for telegraph and telephone . . . . .	.....	60,841
Apparatus for regulating, starting and controlling . . . . .	.....	536,548
Household fittings . . . . .	.....	242,081
Portable tools and appliances . . . . .	.....	1,950
Small household electro mechanical appliances (not exceeding 33 lbs.) . . . . .	.....	48,119
Other appliances and apparatus—		
Electric appliances for motor vehicles, cycles and explosion motors . . . . .	.....	37,388
Electric stoves, ranges and cookers . . . . .	.....	153,000
Other domestic cooking apparatus . . . . .	.....	119,412
Electric heating apparatus . . . . .	.....	192,518
Other (Neon signs, etc.) . . . . .	.....	466,818
Other articles produced . . . . .	.....	3,270,128
Total value of output		7,833,498

It should be noted further that included in the substantial amount opposite "other articles produced" is an extensive range of wireless equipment for ocean-going vessels, aircraft beacons of the new ultra-high frequency type, and short-wave receiving sets, all of which are now fully manufactured in the Commonwealth.

AUSTRALIAN IMPORTS FROM OVERSEAS

Despite Australia's substantial production of electrical machinery and equipment, the value of which is now annually in excess of £A7,000,000, the value of total imports from overseas countries amounted in 1938-39 to approximately £A5,700,000.

Of the products imported, a considerable proportion is made up of those items which cannot as yet be economically produced in the Commonwealth and are required to meet the steady expansion of secondary industries and public utilities.

With the majority of European suppliers, with the exception of the United Kingdom, now unable to effect shipments, and with the occupation of Holland, Denmark, Belgium, and France, it will be necessary for Australian consumers to seek other sources of supply, particularly for urgent electrical requirements.

The following statistical summary of imports in the fiscal year ended June 30, 1939, shows the relative importance of overseas suppliers and indicates the diversity of sources from which Australia has been obtaining her electrical equipment, values being shown in pounds sterling:—

Batteries, Accumulators, and Cells (Dry).—Total imports, £4,184: United Kingdom, £2,900; United States, £1,190.

Batteries, Nickel Alkaline.—Total imports, £12,079: United States, £10,055; United Kingdom, £1,929.

Batteries (Storage) for Motor Vehicles.—Total imports, £3,549: United Kingdom, £2,669; United States, £805.

Batteries, Other.—Total imports, £17,818: United States, £13,977; United Kingdom, £3,598.

Composition parts, including Containers for Storage Batteries.—Total imports, £3,236: United States, £2,865; United Kingdom, £275.

Cotton-covered Cable and Wire.—Total imports, £5,667: United Kingdom, £5,039; United States, £212.

Telegraph and Telephone Cable and Wire, Paper-insulated, Lead-covered.—Total imports, £9,400: United Kingdom, £7,170; Germany, £1,113; Netherlands, £1,047.

Telegraph and Telephone Cable and Wire, Other.—Total imports, £73,466: United Kingdom, £46,502; Germany, £25,922; Sweden, £942; Canada, £16.

Electric Light and Power Cable and Wire, Paper-insulated, Lead-covered.—Total imports, £165,339: United Kingdom, £164,696; Germany, £584.

Electric Light and Power Cable and Wire, Other.—Total imports, £848,053: United Kingdom, £779,229; Germany, £31,425; Belgium, £18,152; United States, £5,193; Netherlands, £5,763; Canada, £2,927; Japan, £1,978; Sweden, £1,648; Denmark, 1,283.

Cable and Wire Covered, All Other.—Total imports, £132,488: United Kingdom, £110,939; Germany, £9,954; United States, £5,043; Belgium, £2,462; Netherlands, £1,645; Canada, £1,618.

Carbon Manufactures of All Kinds, including Carbon Blocks.—Total imports, £84,716: Canada, £32,485; United Kingdom, £23,007; United States, £16,239; Germany, £9,325; France, £2,219; Japan, £1,028.

Motors under 1 h.p., when not Integral Parts of Machines.—Total imports, £171,931: United Kingdom, £87,291; Canada, £51,023; United States, £25,870; Germany, £3,791; Sweden, £1,521; Belgium, £779; Netherlands, £413.

Coils, High-tension, Ignition.—Total imports, £6,434: United States, £2,819; Canada, £2,203; United Kingdom, £1,266.

Dynamo Electric Machines, Alternating Current, Induction Type.—Total imports, £154,347: United Kingdom, £117,891; Sweden, £15,217; United States, £6,453; Belgium, £5,089; Germany, £4,486; Denmark, £1,765; Switzerland, £1,080; Canada, £809; Italy, £655.

Dynamo Electric Machines, Variable Speed Commutator Type, Alternating Current.—Total imports, £10,949: United Kingdom, £7,142; Sweden, £2,138; Germany, £1,305; Japan, £122.

Dynamo Electric Machines, Other, Alternating Current.—Total imports, £114,332: United Kingdom, £91,879; Switzerland, £14,226; United States, £4,400; Sweden, £2,689; Germany, £583.

Traction Motors, Direct Current.—Total imports, £7,835: the United Kingdom was the only supplier.

Motors for Gearless Lifts, Direct Current.—Total imports, £7,036: Canada, £5,354; United Kingdom, £1,471.

Dynamo Electric Machines, Direct Current, Other.—Total imports, £219,399: United Kingdom, £165,944; United States, £20,072; Germany, £19,897; Canada, £4,756; Netherlands, £2,997; Sweden, £1,574; Switzerland, £1,363; Belgium, £1,027.

Dynamo Electric Machines n.e.i.—Total imports, £14,527: United Kingdom, £8,054; United States, £3,051; Germany, £2,064; Canada, £558; Belgium, £432.

Converters, Motor or Synchronous Rotary.—Total imports, £19,924: United Kingdom, £15,257; Germany, £3,926.

Alternators for Use with Steam- or Water-driven Turbines.—Total imports, £70,445: United Kingdom, £48,179; Switzerland, £19,293; Sweden, £2,973.

Generators for Use with Steam- or Water-driven Turbines.—Total imports, £15,619: United Kingdom, £10,264; Sweden, £4,373; Canada, £820; United States, £162.

Universal Current Machines.—Total imports, £3,122: United Kingdom, £3,030; United States, £92.

Electric Fans of the Type ordinarily used in Offices and Households.—Total imports, £26,446: United Kingdom, £10,478; United States, £8,825; Italy, £6,789.

Electric Fans, Other.—Total imports, £8,987: United Kingdom, £4,750; United States, £3,062; Italy, £886.

Circuit Breakers or Switch Units, Metal-clad or otherwise, for Use at Voltages above 15,000 or at any Voltage if the Rated Rupturing Capacity is 250,000 k.v.a. or Higher.—Total imports, £231,030: United Kingdom, £221,409; Switzerland, £8,473; United States, £1,136.

Current Limiting Reactors, Automatic Voltage Regulators, Induction Voltage Regulators, including the Operating and Control Gear.—Total imports, £38,996: United Kingdom, £27,029; United States, £6,864; Sweden, £2,805; Switzerland, £1,861; Germany, £287; Canada, £150.

Lightning Arresters, Other than Wireless.—Total imports, £15,721: United States, £13,138; Germany, £1,986; United Kingdom, £204.

Liquid Slip Regulators, Electrically Operated Thrusters and Time Switches, except those controlled by Electric Master Clocks, Controls of the Scherbius, Kraemar, Ward Leonard, or Other Similar Types for Motors above 300 h.p.—Total imports, £26,383: United Kingdom, £11,035; Switzerland, £9,418; Germany, £4,783; United States, £966.

Relays for the Automatic Protection of or Operation of Generator, Transformer, Converter and Feeder Circuits for Power Stations or Sub-stations, or for a Similar Purpose, and All Relays of the Induction Type.—Total imports, £23,986: United Kingdom, £11,260; Sweden, £4,037; United States, £8,122; Germany, £496; Switzerland, £71.

Electrical Machinery and Appliances, partly or wholly of Metal, viz., Switches, Fuses, Cut-outs, Choke Coils and Relays, n.e.i.—Total imports, £120,343: United Kingdom, £86,856; United States, £19,658; Germany, £5,483; Canada, £3,873; Switzerland, £3,284; Netherlands, £584.

Flush Plates, Connectors, Ceiling Roses, Moulded Lamp Holders, Adaptors, Wall Sockets, Wall Plugs and Wall Plug Tops.—Total imports, £24,902: United Kingdom, £16,021; Germany, £3,212; United States, £2,492; Japan, £1,915; Canada, £940.

Heating and Cooking Appliances: Stoves, Ranges, Ovens, Cookers, Grillers, Boiling Plates, Boiling Rings and the like, including Elements therefor.—Total imports, £80,221: United Kingdom, £49,853; Canada, £25,713; Switzerland, £1,529; Italy, £1,390; United States, £1,209.

Radiators, Toasters and Kettles, including Elements therefor.—Total imports, £5,059: United Kingdom, £4,132; United States, £340.

Heating and Cooking Appliances, Other.—Total imports, £48,351: United Kingdom, £36,201; United States, £8,095; Italy, £1,762; Germany, £1,280.

Household Floor Polishers and Human Hair Dryers.—Total imports, £13,814: United Kingdom, £4,594; Sweden, £3,696; Germany, £3,206; United States, £1,174; Canada, £639.

Household Dishwashing and Ironing Machines.—Total imports, £2,609: United States, £1,521; Canada, £363; United Kingdom, £133.

Lamps, Filament, for Lighting and Heating: (a) Automobile.—Total imports, £43,366: United Kingdom, £21,976; Netherlands, £14,332; United States, £5,761; Japan, £565; Germany, £554; Canada, £164.

(b) *Under 20 Volts, including Torch and Flashlight.*—Total imports, £27,605: United Kingdom, £13,343; Netherlands, £8,479; Germany, £1,965; United States, £1,917; Japan, £1,421.

(c) *20 Volts and over, Gas-filled.*—Total imports, £70,804: United Kingdom, £64,959; Netherlands, £2,509; Japan, £1,319; United States, £1,169; Germany, £506.

(d) *20 Volts and over, Other.*—Total imports £20,411: United Kingdom, £15,464; Japan, £2,134; Germany, £1,508; Netherlands, £752; United States, £526.

(e) *N.E.I.*—Total imports, £7,815: United Kingdom, £6,070; United States, £585; Germany, £591; Netherlands, £324.

Lighting Plants (exclusive of Batteries) having an Internal Combustion Engine not exceeding 4 h.p. Direct-coupled to Dynamo.—Total imports, £4,504: Canada, £4,186; United Kingdom, £297.

Measuring and Recording Instruments.—Total imports, £154,836: United Kingdom, £75,119; Switzerland, £30,023; United States, £26,582; Germany, £12,162; Canada, £7,667; Netherlands, £1,546; Sweden, £1,169.

Rectifiers, Electric Current.—Total imports, £33,916: United Kingdom, £21,515; United States, £7,683; Switzerland, £3,028; Germany, £666; Netherlands, £881.

Regulating, Starting, and Controlling Apparatus for All Electrical Purposes, including Distributing Boards and Switchboards, n.e.i.—Total imports, £144,272: United Kingdom, £112,950; United States, £23,463; Germany, £2,648; Netherlands, £1,763; Switzerland, £1,264; Sweden, £878; Canada, £518.

Static Transformers, at Voltages under 66,000.—Total imports, £28,823: United Kingdom, £24,426; United States, £2,001; Germany, £648; Canada, £286.

Static Transformers, at Voltages of 66,000.—Total imports, £25,596: Switzerland, £20,559; United Kingdom, £4,035; Germany, £849; United States, £103.

Static Transformers, at Voltages over 66,000.—Total imports, £18,501: United Kingdom, £13,663; Switzerland, £4,567; Netherlands, £243; Germany, £17.

Induction Coils for All Purposes, unless otherwise expressly provided for.—Total imports, £6,879: United Kingdom, £6,169; United States, £579.

Telegraph Instruments and Appliances, n.e.i.—Total imports, £19,005: United Kingdom, £17,276; United States, £1,627.

Telephones.—Total imports, £99,271: United Kingdom, £88,829; United States, £5,962; Germany, £2,019; Sweden, £1,593; Belgium, £689.

Telephone Switchboards, Distributing Boards and Appliances.—Total imports, £942,931: United Kingdom, £779,384; United States, £146,418; Germany, £9,092; Netherlands, £3,897; Sweden, £2,067.

Vacuum Tubes, Electric.—Total imports, £7,769: United States, £4,453; Netherlands, £1,328; United Kingdom, £1,145; Germany, £423.

Wireless Receivers and Parts Thereof and Accessories: (a) Valves for Wireless Telegraphy and Telephony.—Total imports, £139,672: United Kingdom, £73,626; United States, £46,864; Netherlands, £17,851; Canada, £448; Germany, £304.

(b) *Wireless Parts, n.e.i., including Parts of Valves.*—Total imports, £85,487: United Kingdom, £37,104; United States, £29,304; Netherlands, £12,319; Germany, £1,653.

(c) *Wireless Receivers, wholly or partly assembled, excluding Valves, Loud-speakers and Headphones.*—Total imports, £23,146: United Kingdom, £9,800; New Zealand, £4,941; United States, £2,453; Germany, £862.

Tubes, Insulating.—Total imports, £6,580: United Kingdom, £2,944; United States, £1,335; Germany, £1,204.

Electrical Appliances, n.e.i.—Total imports, £156,544: United Kingdom, £103,349; United States, £36,654; Germany, £7,605; Netherlands, £3,432; Canada, £1,118; Japan, £1,064.

Although certain of the commodities listed above may be at present prohibited entry from non-sterling countries, this situation is subject to alteration from time to time, and, in the event of such products being unavailable from the United Kingdom or Australia, licences to import from Canada would no doubt be obtainable. Canadian firms interested in supplying the above-listed commodities to Australia, and who are not already represented in the Commonwealth, should communicate with the Department of Trade and Commerce, Ottawa, who will be glad to supply up-to-date information respecting Australian import licensing regulations.

AUSTRALIAN WHEAT AND FLOUR

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, June 18, 1940.—Wheat-growers in Australia are fully aware of the difficulties, because of exceptional conditions created by the war, confronting the Australian Wheat Board in its endeavour to market surplus wheat produced in Australia. It is considered fortunate that the greater part of the 1939-40 crop has been disposed of by the Board at satisfactory values, leaving an estimated carry-over of approximately 15,500,000 bushels. The wheat position in Australia for the 1939-40 season may be summarized as follows:—

	Bushels
Carryover of 1938-39 crop (No. 1 Pool)	18,000,000
Estimated 1939-40 production (No. 2 Pool)	210,110,318
	228,110,318
Sales to date (Nos. 1 and 2 Pools)	133,500,000
	94,610,318
Normal average domestic consumption	55,000,000
	39,610,318
Exportable surplus	39,610,318

The area sown to wheat in Australia during the season 1939-40 was estimated at 13,276,000 acres, and the yield per acre is indicated at 15·83 bushels. This compares with an average yield during the past ten years of 11·81 bushels per acre.

Since the outbreak of war, wheat prices in Australia have steadily risen, the weighted average of shippers' limits for growers' bagged and bulk lots—Sydney, Melbourne and Adelaide—having increased from 29·93d. per bushel in September, 1939, to 48d. per bushel in April, 1940.

Variation in prices per bushel for the month of April in the years 1935 to 1940 have been as follows: 1935, 39·36d.; 1936, 44·11d.; 1937, 64·55d.; 1938, 46·17d.; 1939, 28·12d.; 1940, 48d.

Mr. Palmer cabled under date July 16, 1940, as follows:—

Sales of wheat and flour by the Australian Wheat Board to date totalled approximately 118,000,000 bushels, excluding 2,100,000 bushels cancelled owing

to closing of the French, Swiss and Norwegian markets. A further 26,000,000 bushels are expected to be sold for local consumption and export flour, leaving a carry-over of approximately 52,000,000 bushels. Only 33,012,000 bushels out of the total amount sold had been shipped at the beginning of July. Official quotations for wheat remain unchanged. The Wheat Board overdraft for advances to farmers stands at approximately £A15,750,000. The outlook for the new crop is unpromising, and immediate rains throughout wheat belts are awaited to improve prospects. Lack of moisture is most pronounced in Western Australia, and conditions in South Australia, New South Wales and Victoria are all unsatisfactory. The Wheat Board is releasing to farmers at a reduced price wheat below f.a.q. standard or affected by weevil, owing to a shortage of bran and pollard for stock feed and in view of the possible difficulty in providing sufficient facilities for storing the heavy carry-over. Under this latter stimulus rapid construction of silos in country districts is being supported by the Victorian State Government. The flour market is very quiet, and a report that £100,000 sterling has been made available for the purchase of 200,000 bushels of flour for North China is welcomed. Export quotations for flour are £9 10s. per ton in 49-pound calico bags (equivalent to \$33.44 Canadian) and £9 5s. per ton in 150-pound sacks (equivalent to \$32.56 Canadian). Freights at reasonable rates appear plentiful for voyages outside risk areas, otherwise the position is obscure.

AUSTRALIAN CANNED AND DRIED FRUITS IN 1939

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

CANNED FRUITS

Melbourne, May 10, 1940.—In spite of the very good clearance of canned products during 1938 there was a carry-over of about 10 per cent of annual production into 1939. The 1939 crop of apricots and pears, however, was lighter. Drought, heat, wind and curtailment of water supplies were together responsible for a short supply of the early fruits, although the later varieties, peaches particularly, recovered very well after the February rains. While the 1939 totals were below the peak levels of 1938, they were still considerably in excess of the 1937 figures, which represented a record production to that date.

Comparative figures of production are as follows:—

	1937	1938	1939
	Thousands of Cases		
Apricots	127	380	282
Peaches	1,394	1,791	1,853
Pears	807	860	573
Total	2,328	3,031	2,708

Domestic consumption has continued to increase above the level of one million cases per annum, but the combination of carry-over stocks from 1939 with a relatively large current pack gave marketing authorities approximately the same weight of fruit to shift in 1939 as in the previous year. Exports for the twelve months ended December 31, 1939, reached 1,760,000 cases, which was sufficient to clear practically all available supplies, leaving a very small carry-over for the 1940 season. Exports to the United Kingdom increased by more than 90,000 cases, and 8,000 more cases, principally of canned peaches, were shipped to Canada than during the previous season. On the other hand, exports to New Zealand, Australia's other principal market, declined by 42,000 cases.

DRIED FRUITS

The southern states of Australia were again of dominant importance in the production of dried fruits.

During 1938-39 adverse seasonal conditions resulted in a fall in production of about 20,000 tons, which represented a decline of 20 to 25 per cent from the peak figures of 1937-38. The two critical periods for the dried fruits industry are the growing and budding season in September and October, and a danger period in February and March, when rainfall is particularly damaging. The dry conditions in late 1938 were favourable to the growth of vines, and an excellent crop of currants was gathered before the 1939 February rains; the rains, however, proved disastrous to part of the sultana crop.

Production and export in the last four years were as follows:—

	Production Tons	Exports Tons
1935-36	62,942	46,853
1936-37	71,219	54,023
1937-38	91,687	74,328
1938-39 (estimated)	72,000	56,000

The United Kingdom, the principal market for Australian dried fruit, took a smaller supply during 1939 than from the record production of 1937-38. Trade with New Zealand and Canada was reasonably satisfactory.

There are definite limits, however, to the markets for Australian dried (and canned) fruits. In the case of dried fruits, domestic consumption is about 15,000 tons. Canadian and New Zealand purchases can be expected to amount at the most to about 20,000 tons under the present preferential arrangements. Even in most favourable circumstances it is considered that the maximum export of currants to Great Britain could not exceed 15,000 tons per annum. Probably 40,000 tons of sultanas might be supplied. Beyond this upper limit of about 90,000 tons, however, there is practically no opportunity of marketing increased production of dried fruits. Considerable concern, therefore, has been caused by the recent growth in the canned and dried fruit production figures.

TRADE OF HONGKONG IN 1939

P. V. McLANE, CANADIAN TRADE COMMISSIONER

(HK\$1 equals \$0.28 Canadian)

Hongkong, June 12, 1940.—The total value of Hongkong's visible trade showed a decrease of 2 per cent in 1939, when compared with that for the previous year, the figures being HK\$1,127,600,000 and HK\$1,130,100,000 respectively. Total imports in 1939 were recorded at HK\$594,200,000 as against HK\$618,100,000 in 1938; exports were valued at HK\$533,385,000, as compared with HK\$511,900,000. The visible merchandise trade balance of Hongkong during the period under review was unfavourable to the extent of HK\$60,815,000 as against an unfavourable balance in 1938 of HK\$106,200,000.

IMPORT TRADE

The following comparative table shows total values of imports by countries for the years 1939 and 1938:—

Imports into Hongkong by Principal Countries

	1939 Thousands of Hongkong Dollars	1938 Thousands of Hongkong Dollars		1939 Thousands of Hongkong Dollars	1938 Thousands of Hongkong Dollars
China	223,207	233,264	British Malaya	12,959	7,601
United States	51,901	54,706	India	9,565	11,725
Indo-China	40,660	34,419	Australia	7,125	12,405
United Kingdom	39,697	56,414	Belgium	5,865	6,013
Netherlands India	39,431	40,967	Canada	4,843	6,177
Macao	32,872	13,650	Holland	4,431	5,384
Siam	29,884	36,241	British North Borneo	3,071	2,461
Japan	27,430	18,781	France	2,633	3,748
Kwong Chow Wan	26,357	9,121	Philippines	2,563	2,297
Germany	13,065	39,039			

The percentage of the total imports into Hongkong in 1939 credited to each of the principal supplying countries, was as follows, percentages for 1938 being shown within parentheses: China, 37·6 (37·7); United States, 8·7 (8·8); French Indo-China, 6·8 (5·6); United Kingdom, 6·7 (9·1); Netherlands India, 6·6 (6·6); Siam, 5 (5·9); Japan, 4·6 (3); Germany, 2·2 (6·3); British Malaya, 2·2 (1·2); India, 1·7 (1·9); Australia, 1·2 (2); Belgium, 1 (1).

EXPORT TRADE

The following table shows total values of exports by countries for the years 1939 and 1938:—

Exports from Hongkong by Principal Countries

	1939 Thousands of Hongkong Dollars	1938 Thousands of Hongkong Dollars		1939 Thousands of Hongkong Dollars	1938 Thousands of Hongkong Dollars
China	90,219	230,727	India	9,364	5,446
United States	76,885	52,041	France	7,130	8,858
Indo-China	55,480	23,155	Japan	6,555	3,319
British Malaya	45,986	36,882	Holland	6,182	7,366
Macao	45,039	20,839	Burma	5,343	3,125
Kwong Chow Wan	42,286	9,884	West Indies	5,176	3,265
United Kingdom	22,417	21,219	South Africa	3,979	1,747
Siam	15,493	15,970	Australia	3,917	2,854
Netherlands India	15,160	14,432	Canada	2,553	2,240
Germany	12,612	13,138	Central America	2,007	1,506
Philippines	11,357	9,502			

The percentage of the total exports shipped to each of the chief destinations in 1939 was as follows, percentages for 1938 being shown within parentheses: China, 16·9 (45·1); United States, 14·4 (10·2); French Indo-China, 10·4 (4·5); British Malaya, 8·6 (7·2); Macao, 8·4 (4·1); Kwong Chow Wan, 7·9 (1·9); United Kingdom, 4·2 (4·1); Siam, 2·9 (3·1); Netherlands India, 2·8 (2·8); Philippines, 2·1 (1·9); India, 1·8 (1·6); Japan, 1·2 (0·6).

ANALYSIS OF HONGKONG'S TRADE BY MAIN GROUPS

The decrease in the value of imports into Hongkong in 1939, as compared with 1938, amounting to HK\$23,900,000 or 3 per cent, occurred in eighteen of the twenty-three main groups, while the decrease in Hongkong's exports, amounting to HK\$83,715,000 or 13 per cent, was in ten of the twenty-three main groups.

The following comparative table shows the total values of imports and exports by main groups of articles for the years 1939 and 1938:—

Imports into and Exports from Hongkong by Main Groups

	Imports 1939 1938 Thousands of Hongkong Dollars		Exports 1939 1938 Thousands of Hongkong Dollars	
Animals, live	14,170	10,262	461	108
Building materials	7,746	8,677	3,122	4,337
Chemicals and drugs	7,735	9,253	6,880	9,074
Chinese medicines	25,828	19,593	23,269	15,715
Dyeing materials	8,102	16,086	8,843	11,378
Foodstuffs	137,369	152,441	108,755	120,692
Fuels	16,399	17,273	731	1,125
Hardware	4,722	6,003	4,370	3,013
Liquors	4,859	4,922	1,495	1,364
Machinery	10,688	17,136	6,995	6,471
Manures	7,748	9,832	8,110	13,155
Metals	36,981	48,144	37,481	36,328
Minerals and ores	5,553	8,064	22,504	16,389
Nuts and seeds	9,868	13,823	6,470	10,578
Oils and fats	89,442	78,223	75,038	77,280
Paints	1,942	2,329	1,817	1,713

	Imports		Exports	
	1939	1938	1939	1938
	Thousands of Hongkong Dollars			
Paper and paperware	10,640	14,743	8,362	10,382
Piece-goods	99,201	79,833	72,621	55,831
Railway materials	146	330	138	809
Tobacco	9,587	8,112	9,654	8,703
Vehicles	13,627	14,140	20,464	20,033
Wearing apparel	4,441	5,072	28,520	20,561
Sundries	67,405	73,878	77,285	66,863
Total	594,199	618,169	533,385	511,902

HONGKONG'S TRADE WITH CHINA

The value of Hongkong's total trade with China in 1939, amounting to HK\$313,426,000 and representing 27 per cent of the total trade of the Colony, was HK\$150,565,000 less than for 1938. Imports from China during the year, valued at HK\$223,207,000 and accounting for 37 per cent of the total import trade of Hongkong, were HK\$10,057,000 less than for the year 1938. The value of Hongkong's total exports to China, amounting to HK\$90,219,000 and representing 16 per cent of the total export trade of the Colony, was HK\$140,508,000 less than for the year 1938.

HONGKONG'S TRADE WITH THE BRITISH EMPIRE

Hongkong's trade with the British Empire in 1939 was valued at HK\$188,719,000 and represented 16 per cent of the total trade of Hongkong; this value was HK\$1,084,000 less than for 1938. The value of imports from Empire countries was HK\$81,821,000; this was 13 per cent of the total import trade and HK\$24,468,000 less than the value for 1938. The value of exports to British Empire countries amounting to HK\$106,898,000 and representing 19 per cent of the total exports, was HK\$23,384,000 more than for 1938.

The United Kingdom was credited with imports valued at HK\$39,697,000 as compared with HK\$56,414,000 in 1938; British Malaya contributed imports to a value of HK\$12,959,000 as against HK\$7,601,000; India, HK\$9,565,000 as against HK\$11,725,000; Australia, HK\$7,125,000 as against HK\$12,405,000; Canada, HK\$4,843,000 as against HK\$6,177,000; and Burma, HK\$1,035,000 as against HK\$5,139,000.

Exports to the United Kingdom were valued at HK\$22,417,000 as against HK\$21,219,000 for 1938; British Malaya, HK\$45,986,000 as against HK\$36,882,000; India, HK\$9,364,000 as against HK\$5,446,000; Burma, HK\$5,343,000 as against HK\$3,125,000; Australia, HK\$3,917,000 as against HK\$2,854,000; Canada, HK\$2,553,000 as against HK\$2,240,000; and Ceylon, HK\$1,399,000 as against HK\$1,291,000.

DISPLACEMENT OF ITALIAN TRADE WITH HONGKONG

P. V. McLANE, CANADIAN TRADE COMMISSIONER

[All values are in United States Dollars]

Hongkong, June 26, 1940.—With the entry of Italy into the war and the consequent severance of trade relations with Hongkong, Canadian firms may be interested in the possibility of obtaining a greater share of the import trade of the Colony by sales of commodities formerly supplied by Italian exporters. However, owing to the comparatively small share of Hongkong's trade enjoyed by Italy and the limited number of items involved, there does not appear to be much opportunity of Canadian exporters benefiting to any extent from the elimination of Italian imports.

For the year 1939 imports into Hongkong from Italy were valued at \$380,343, representing 0.26 per cent of the total import trade of the Colony. This amount was accounted for principally by textiles, which constituted over 50 per cent of total imports from Italy, while paper and paperware and metals were the only other groups of importance, making up 18 per cent and 7 per cent of the total respectively.

IMPORTS FROM ITALY IN 1939

Following is a statistical summary of the imports into Hongkong from Italy in 1939, showing the total value for each group and for each of the principal items included therein:—

Piece-goods and Textiles.—Imports in 1939 were valued at \$198,793, made up as follows: suitings, \$92,565; blankets, \$58,691; artificial silk yarn, \$18,927; meltons, \$15,849; umbrella cloths, \$6,328; heavy woollens, \$2,322; and artificial silk, \$1,430.

Paper and Paperware.—Imports were valued at \$63,398. The two principal items in this group were printing paper, \$38,350; and paper n.o.p., \$28,955.

Metals.—Imports were valued at \$28,958 and included: quicksilver, \$14,024; metals, n.o.p., \$6,658; drums and cylinders, \$5,090; iron and steel, n.o.p., \$2,787.

Sundries.—Imports were valued at \$21,138 and consisted of: rope, \$6,767; jewellery, \$3,853; electric fans, \$2,599; radio apparatus, \$2,476; stone, \$1,232; and umbrellas, \$1,033.

Machinery and Engines.—Imports valued at \$13,871 included the following: telegraph and telephone instruments, \$8,989; machinery, n.o.p., \$2,428; engines, \$1,586; and electrical machinery, \$624.

Chemicals and Drugs.—Imports valued at \$11,504 included: insecticides, \$7,292; chemicals and drugs n.o.p., \$1,804; sulphur, \$1,599; and pharmaceutical products, \$360.

Wearing Apparel.—Imports were valued at \$8,225, the only item of importance being hats, \$8,214.

Paints.—Imports were valued at \$7,439, the principal item being dry colours, \$7,326.

Building Materials.—Imports valued at \$6,346 were made up of: building materials n.o.p., \$5,322; and cement, \$1,024.

Foodstuffs and Provisions.—Imports were valued at \$5,740, the principal items being: jams, \$2,090; grains, \$1,367; cheese, \$1,313; and foodstuffs n.o.p., \$884.

Alcoholic Beverages.—Imports were valued at \$3,506, the only item of importance being wines, \$3,345.

Hardware, n.o.p.—Imports were valued at \$2,524.

EXPORT OPPORTUNITIES IN BRAZIL

L. S. GLASS, CANADIAN TRADE COMMISSIONER

Rio de Janeiro, July 5, 1940.—Supplementing the report entitled "Displacement of German Trade with Brazil," which was published in *Commercial Intelligence Journal* No. 1885 (March 16, 1940), the information presented herewith indicates a wider range of commodities which Canadian producers may be in a position to export. It must be stressed that Brazil is definitely a price market, and exporters must be in a position to compete on that basis.

Brazilian statistics divide imports into the main categories of foodstuffs, raw materials, and manufactured goods. Thirteen per cent of all imports are made up of foodstuffs. Wheat, olive oil and olives, three commodities which for various reasons Canada cannot supply to Brazil, account for approximately 60 per cent of total imports. In the case of the last two named, the reason is obvious; owing to such factors as cheap freight rates from the Argentine and the close relationship between Brazilian millers and the Argentine, Canadian wheat prices are out of line.

Thirty per cent of the total imports are raw materials, and over 50 per cent of the total value of imports under this heading is made up of kerosene, aniline dyes, coal, gasoline, jute, fuel oil, and lubricating oil, which, with the possible exception of coal and coke, cannot be supplied from Canada.

Of the remaining 57 per cent of the total imports, represented by manufactured articles, motor cars and vehicles account for 20 per cent, machinery for 52 per cent and chemical products for 10 per cent of the total imports.

FOODSTUFFS

WHEAT AND FLOUR

Although there is little opportunity for the sale of Canadian wheat in Brazil, except in the case of crop failure or high prices in Argentina, there are no possibilities for Canadian flour in the northern states of Brazil. So far as the southern part of Brazil is concerned, freight rates make it impossible to compete with the local mills using Brazilian and Argentine wheat or with the mills in Argentina or Uruguay. Competition in the northern states is very keen, and United States mills, which have developed this market over a number of years, have succeeded in establishing their brands firmly on the market.

FRESH FRUIT

Brazil is an important market for certain types of fresh fruit grown in temperate countries, particularly apples and, to a lesser extent, pears. Competition in both these fruits must be met principally from United States producers and also from Argentina, Chile, and Australia. The competition offered by the last three sources is not as important as that by United States shippers, as their season does not coincide with that of Canada. Canadian apples already enjoy an excellent market in Brazil. The only qualities saleable are Winesaps and Delicious, both Fancy and Extra Fancy, preferably medium and medium-small sizes. Apples must be boxed; barrels are not acceptable.

DRIED FISH

In Brazil all dried fish of the codfish type are grouped together under the one term "bacalhau". This grouping includes codfish, hake, pollock, and cusk, but little of the last-mentioned variety is imported. Hake finds a ready market during the church festival seasons, when even those people with the lowest buying power consume fish.

BACALHAU

Brazil offers a very good market for these dried fish, imports in 1938 being valued at over \$2,500,000. Newfoundland, Great Britain, Iceland, and Norway were the chief suppliers. In the southern markets, particularly São Paulo, Canadian codfish and hake are well known and liked, but of recent years consumption has dropped off considerably because Canadian prices have been above those of other countries. In the Rio de Janeiro market Canadian dried fish is less favoured on account of its colour being darker than that of the fish supplied by European shippers. Northern Brazil has always provided a market for Newfoundland fish; now Newfoundland fish is purchased throughout Brazil and accounts for well over 50 per cent of all sales. Prices are governed not only by the competition among dried-fish exporters, but also by a local product called "xarque", which is a dried meat or "jerked beef". Dried fish and "xarque" form the staple foodstuffs of the mass of the population, and the relative costs of these two products determine largely the consumption of dried fish. The price of olive oil also affects the consumption of codfish. Price is, therefore, of prime importance in this market and, even if supplies of dried fish are low, the demand will decrease in direct proportion to the increase in price.

CANNED GOODS

Canned goods of all descriptions are imported into Brazil, but little opportunity is presented for developing Canadian trade.

Canned salmon is purely a luxury article in Brazil and there is only a small market for this product, because of the relatively high price. Salmon packed under well-known brands, such as Libby's and Morton's account for practically all imports. Canada, however, does share in the market indirectly through the Canadian pack being sold under other brand names. This is particularly true of canned lobster, since only the Canadian pack is on sale. Owing to its high cost, however, sales are extremely limited, and Japanese crab meat enjoys the bulk of the business. There is a first-class market for sardines packed in oil (preferably olive oil), and it is probable that the Canadian product would find a ready market.

Small, but regular, imports of haddock fillets, smoked salmon fillets and frozen salmon are also made.

There is but a limited market in Brazil for canned fruit and vegetables and it is diminishing steadily in the face of local production. Jams and jellies still find a small sale in the luxury trade. Much depends on the appearance of the container. Packing cans and ordinary jars, except in the case of novelty goods such as raspberry, cranberry and similar products, immediately precludes any possibility of business.

During the Christmas season there is a spasmodic market for chocolate bonbons. These, as in the case of jams and jellies must be put up in fancy containers. They must also be wrapped in foil, and the boxes should be sealed in cellophane or some similar material.

MISCELLANEOUS

Canada has in the past been a supplier of brewers' malt to this market, and at present there is an even greater market than heretofore. Inquiries have also been received for hops for brewing. Previously hops were imported from Germany and Czecho-Slovakia but, now that these markets have been cut off, other sources are being sought.

Peas and white beans are in small but regular demand in Brazil. Peas may be supplied either split or whole.

WOOD AND WOOD PRODUCTS

For the bulk of wood and wood products there is no market whatsoever in Brazil for imported articles. The country has ample supplies of timber, ranging from Paraná pine, which resembles spruce or fir, to the finest of hardwoods for flooring and cabinet making.

Wood-pulp is in heavy demand, and at present Brazil is facing a serious shortage; this is also the case with newsprint. As regards other papers, a demand exists for some of the more specialized types, such as artists' drawing paper, glazed paper for printers, banknote and stock certificate papers, mathematical paper, and gummed papers for postage stamps.

Building board is also in demand, and there is a limited market for certain industrial woodenware, such as spools and spindles, although recent inquiries indicate that Canadian prices are completely out of line.

LEATHER AND LEATHER PRODUCTS

The market for leather in Brazil is limited to upper stock for boots and shoes. The demand for sole leather and kid (glacé) is supplied by local production. Imports are confined to calf skin (brown and some black), chrome, willow and Russian, suedes of all fashionable colours, both for men's and women's footwear, and patent leather. There is a lesser demand for buckskins in white, black and brown.

As regards manufactured articles, the market is limited to women's fine gloves, and high-class bags and purses for women, with a limited market for light-weight sports jackets.

There is no sale for leather belting or mechanical goods.

METALLIC AND NON-METALLIC MINERALS, UNMANUFACTURED

Brazil must import considerable quantities of metals, although there are known to be extensive mineral deposits in the country. The most important of the developed deposits include gold; manganese; carbons (industrial and gems); quartz, including piezoelectric crystal; talc; kaolin; cement; and certain but insufficient amounts for home consumption, of coal and iron.

Of greatest importance, both in volume and value, are the imports of coal, in the natural form and as briquettes, coke, and petroleum products. Raw metals of practically every sort are also imported in volume. These include copper, lead, zinc, iron and steel, ferro-alloys, nickel, aluminium, mercury, antimony, and chromium.

The more important non-metallic minerals imported are: sulphur, Fuller's earth, carbon black, carbon, asbestos, abrasives and refractories. There is also a market for talc, but only for the very finest grades, similar to that produced in Italy. Earth colours are imported, usually natural earth, as the natural colours are not as expensive as synthetic.

MANUFACTURED METALS

ROLLED, DRAWN, SHEET METAL PRODUCTS, ETC.

There is a steady demand in Brazil for copper and zinc sheets, copper and brass tubing of all sizes and weights, and copper wire and rods for drawing and extruding. Black iron sheets and galvanized sheets, both flat and corrugated, are imported in quantity, as are also black and galvanized iron pipes and tubes and fittings, together with a fair amount of wrought iron fittings.

Wire of the more specialized types is in considerable demand, especially barbed wire and galvanized wire. The ordinary types of electric wire are made locally in sufficient quantities to supply local requirements, but special wires for radio, automobiles, and transmission lines, including cables, are still imported.

There is a market for wire rope and cable, but none for woven wire products except in northern Brazil where a certain amount of wire screening continues to be imported. No market whatsoever exists for stamped wares for domestic use nor for enamelled wares, as local production supplies the entire market.

HARDWARE

It is impossible to enumerate in this report the range of products imported into Brazil which might be included under the heading of hardware. Among the more important items, valves of all descriptions are imported, although there is a rapidly growing local production. These are of the lightest weight possible, since customs duties are based on the weight of the imported goods, and on heavy valves the duties are so high as to make it impractical to import them. Tools of all descriptions, particularly saws, pliers, hacksaws, screw drivers, planes, braces, bits, drills, hammers, shears, and blow torches, are imported. Generally speaking, price is a ruling factor, and high-grade expensive material will not find a market.

Locks and padlocks are also imported, but must be of the cheapest quality.

Motor-car accessories of all types find a good market in Brazil, but it should be noted that these accessories do not include replacement parts which are integral parts of an automobile, such as gears and pinions. Such material is supplied direct by the manufacturers of the automobiles and is also made extensively in Brazil.

There is also a market for shovels, hoes, and gardening or hand agricultural implements.

Needles and pins of all kinds are imported, and there is a good market for ball bearings.

OPERATIVE MACHINERY

As has been indicated previously, a large proportion of the total imports into Brazil of manufactured goods is represented by industrial machinery, and it might be said that Brazil presents an excellent market for operative machinery of all kinds with the exception of certain highly specialized automotive machinery for replacing hand labour. This is accounted for by the fact that hand labour is very cheap in Brazil. It must be recalled again that Brazil is a price market, and the cost is considered before quality.

The more important items imported are machine tools of all types, and industrial machinery, particularly for the textile, tobacco, rubber, cement, leather goods and metallurgical industries. Hoists, cranes, dredges, drag lines and road machinery of all classes are imported, but there is no demand for stone-crushing plants and little market for such equipment as vibrating screens, etc. Pneumatic tools, compressors, tractors, and steam engines are also imported.

Printing machinery, both for the textile and for the typographical industry, are in demand.

VEHICLES

Brazil of late has become an important purchaser of rolling stock for railways. Purchases have included locomotives, freight cars, gondola cars for the carrying of ores, refrigerated cars for fruits and meats, and flat cars. There is also a market for narrow-gauge locomotives, generally wood-burning, and cars for the large sugar estates. With the exception of railroad equipment, the only other items for which sales opportunities are afforded Canadian manufacturers are bicycles and aircraft.

ELECTRICAL GOODS

Besides the demand for certain classes of electric wire, as mentioned earlier, there is a considerable market for various electrical goods, the most important of which are radio receivers and replacement parts. Owing to climatic conditions in Brazil, coils, transformers and other perishable parts of radios deteriorate quickly and as a result there is an extensive market for replacement parts of all kinds.

Motors of all sizes, from $\frac{1}{8}$ and $\frac{1}{4}$ horse-power, have a wide sale, and dynamos and other electrical generating machinery are likewise in demand.

Transformers, insulators, line equipment, and meters of all types are also required. There is also a market for installation equipment, such as outlet rosettes, switches, plugs, sockets, insulators, and non-metallic conduits.

Other products in demand are electric refrigerators and refrigeration units, floor polishers, therapeutic appliances, tools such as drills and cutters, and electrical insulation tape.

PHYSICAL APPARATUS

Under this heading are included gauges and meters of all types—water, steam, pressure, flow, electrical, etc. Scientific and mathematical instruments of all kinds are also required, as well as laboratory equipment.

CHEMICALS, DRUGS, AND PHARMACEUTICAL SUPPLIES

No attempt is made to list all the products which are imported under this heading. Most industrial chemicals are imported with the exception of alcohol products and by-products and the heavy commercial acids which do not require a high degree of purity.

A large proportion of the requirements in drugs and pharmaceutical chemicals is imported, but there is little sale for proprietary pharmaceuticals. In the case of proprietary articles the cost and difficulties of importing and marketing in Brazil are so great that as a rule the best-known manufacturers either operate their own factories in Brazil or license manufacturers already established to produce their specialties. However, for raw materials and the various ingredients which are commonly in use in the pharmaceutical trade Brazil offers an excellent market. The following brief list indicates the most important items of importation: citric, boric, tartaric, and tannic acids, arsenic, cocaine and its derivatives, codeine, morphine, quinine, alkaloids n.o.p., sodium bicarbonate, borates, borax granules, chlorates of potassium and sodium, calcium chloride, phenol crystals, sulphates, sulphides and sulphites of practically every description, zinc oxide, and the various acetates. There are also considerable imports of pharmaceutical products for administration by injection, and of serums and practically all bio-chemical products.

RUBBER MANUFACTURES

Brazil is a producer of raw rubber and is rapidly becoming independent of outside sources for manufactured rubber articles. There still remains, however, a considerable market for rubber belting, rubber hose, and automobile tires and tubes, although the requirements of the last-mentioned are rapidly being satisfied by the local industry, which has developed through the establishment in Brazil not only of local firms but of branches of foreign manufacturers.

Certain amounts of canvas and rubber footwear are imported, particularly for sports. There is also a market for dipped latex and gum-rubber goods, with an increasing preference for latex on account of its greater resistance to climatic conditions. There is practically no market for rubber tubing and sheeting except in special cases.

TEXTILE AND TEXTILE PRODUCTS

There is no market in Brazil for women's ready-to-wear clothing of any type. Duties are extremely high, and it is impossible to overcome local competition from dressmakers and specialty shops.

There is a relatively small demand for novelty bathing suits and also for full-fashioned silk hosiery of the sheerest grades. The market is, however, extremely small and competition is very keen. Silk yarns for hosiery manufactures can be sold in Brazil, as can also fine woollen yarns. Cotton yarns and thread are supplied entirely by local production. Although Brazil has an extremely well-established cotton industry producing textiles of every description, there is still a certain amount of novelty cotton prints imported, such as those which are known under the trade names of "Peter Pan", "Tootal", etc. The market is limited for novelty prints, as local manufacturers imitate the designs within a short time.

Heretofore Brazil has been a large importer of industrial felts from European sources which are now cut off. Therefore the market is open to Canadian manufacturers.

In men's ready-to-wear goods there is a certain amount of importation. There are sales possibilities for shirts, ties, pyjamas, underwear, and socks,

but only the highest grade of merchandise is acceptable. Quotations for shirts should range upward from about \$15 a dozen, ties from about \$12 a dozen, and pyjamas, underwear and socks in the same relative price range.

MISCELLANEOUS

OPTICAL GOODS

There is a considerable demand in Brazil for all types of optical goods, including optical machinery, lenses, spectacle frames, goggles and sun glasses, as well as scientific instruments.

FURS

Despite the fact that Brazil is located mostly within the tropical zone, there is a large importation of furs which were previously purchased through the European buying centres of London and Paris. To-day, however, there is a tendency to buy direct from Canada and also in New York. The most popular fur is, of course, fox, silver, blue and platinum being the types mostly in demand. Other furs imported are marten, squirrel, ermine, mink and the various classes of rabbit.

CHINA AND PORCELAIN

Brazil has no extensive industry manufacturing china and porcelain, and therefore for the finer grade goods the country depends entirely on foreign sources, particularly France, Great Britain, and Czecho-Slovakia.

CRYSTAL

Since the outbreak of the European war the buyers in Brazil have been finding it difficult to find alternative sources of supply for crystal, cut crystal and fancy glassware, which previously were imported from Czecho-Slovakia.

PLASTICS

There is an ever-growing use of plastics in Brazil for various purposes, and an active market exists for all plastic materials for manufacturing purposes. This material is imported in the form of sheets, rods and powder.

PERFUMERY AND COSMETICS

The demand for perfumery and cosmetics is heavy, and it is quite possible that Canadian manufacturers would be able to find a market here, particularly for synthetic and natural essences, perfumes, creams, rouge, lipstick, eyebrow and shadow pencils, and lotions. Other goods which might be included under this heading, such as toothpaste, powder, talcum powders, shaving soap and lotions, powder puffs, and shaving brushes, find little sale.

CLOCKS AND WATCHES

Although the greater portion of the imports of clocks and watches are of Swiss origin, a wide market for cheap watches, clocks and alarm clocks is open to manufacturers in a position to compete.

OFFICE SUPPLIES

There is practically no manufacture in Brazil of office supplies, such as pencil sharpeners, staple machines, pen nibs and a multitude of similar articles in common use in Canada. Most of these are imported from the United States, Germany, and Great Britain, but manufacturers in Canada who supply a reasonably wide range of these commodities should be able to find a market,

providing they are in a position to compete, particularly with American manufacturers.

There is no market for office furniture, cabinets, filing systems, etc., as these are now either made in Brazil by Brazilian manufacturers or are handled through branch offices of large American firms.

TOYS AND DOLLS

There is a good market for dolls of all types and to a certain extent for toys. Prices on toys, however, must be low in the face of heavy duties, and they should also be light in weight, particularly mechanical toys. Wooden toys, blocks, and games are imported to only a small extent because of the high duties and a well-established local industry manufacturing a wide range.

SEEDS

Most of the garden seeds required, that is, flower and vegetable seeds, were formerly imported from Germany. This source is now cut off, and an opportunity is afforded for Canadian growers to sell to this market.

It is possible also that some business may be done by Canadian exporters of seed potatoes to this market, although, owing to the fact that Canadian types are unknown in Brazil and the preference is for a yellow flesh potato, it is difficult to estimate the possibilities of the market.

PRINTER'S INK

There would appear to be a market for printer's ink for use by newspapers and publishers in general in Brazil.

FOREIGN TRADE OF ECUADOR IN 1939

S. G. MACDONALD, ASSISTANT TRADE COMMISSIONER

[Values are in sucres; the average exchange rate in 1939 was 14.53 sucres to the United States dollar, 13.40 in 1938, and 10.99 in 1937.]

Lima, Peru, May 18, 1940.—Ecuador was no exception among most of the Latin-American countries which increased their trade with the United States in 1939. While the country's total imports and exports were slightly reduced in value, the share of the United States increased in both respects. Conversely trade with Germany, the second most important buyer and supplier after the United States, declined, particularly exports to that country. Other than the United States, France was the only country which, according to Ecuadorean statistics, increased its sales to Ecuador. While exports to France were reduced, they almost equalled those to Germany, which fell substantially.

The slight decline in the total value of foreign trade during 1939 to 312,600,769 sucres, as compared with 317,410,538 sucres during the previous year, was due principally to the reduction in the volume of trade with European countries in the final four months of the year and to generally reduced exports of agricultural products owing to unfavourable weather conditions during the main crop periods. This applied particularly to shipments of cacao, the most important crop of Ecuador, of coffee, the second most important, and of other main agricultural exports, including bananas and other fruits, rice, and kapok. In addition, exports of petroleum and derivatives were curtailed, although exports of gold and silver increased considerably in value.

EXPORTS

The total value of exports from Ecuador in 1939 amounted to 164,840,543 sucres as compared with 168,095,627 sucres in 1939, and 164,045,398 sucres in

1937. According to statistics of the Central Bank of Ecuador, these totals were divided as follows among the commodity groups exported:—

	1937	1938	1939
	Values in Sucres		
Petroleum and derivatives	22,041,329	26,958,473	25,005,266
Gold and silver ores, etc.	18,681,943	21,397,459	26,403,366
Gold and silver in bars, bullion, etc.	330,350	13,899,000	14,893,015
Total all minerals	41,053,622	62,254,932	66,301,647
Cacao	49,985,035	39,276,289	37,030,919
Other products—			
Coffee, tagua, Panama hats, rice, wool,			
bananas and other fruits, rubber, hides,			
etc.	73,006,741	67,564,406	61,507,977
Total agricultural products	122,991,776	106,840,694	98,538,896
Total all products exported	164,045,398	169,095,627	164,840,543

It will be noted that the returns from products of mineral origin have increased each year, while the contrary has been the case with agricultural products. In 1937 this latter group represented 74·97 per cent of the total exports; in 1938 this percentage was reduced to 63·18, and in 1939 it declined further to 59·78. This reduction is due principally to the reduced international level of prices for Ecuadorean products.

IMPORTS

Preliminary statistics quoted by the Central Bank of Ecuador show that imports were valued at 147,860,226 sucres as compared with 148,314,911 sucres in 1938. As in previous years the United States was the most important supplier, the greatly increased imports from that country being valued at 71,949,632 sucres as compared with 51,311,200 sucres in 1938. The value of imports from Germany, the second most important supplier, fell from 35,765,816 sucres in 1938 to 26,767,000 sucres in 1939. The United Kingdom maintained its position as third most important supplier, although the value of imports therefrom fell to 8,093,000 sucres from a total of 11,461,907 sucres in 1938. Imports from France increased in value from 6,465,131 sucres in 1938 to 7,339,000 sucres in the following year. Imports from Japan, like those from all other countries except the United States and France, declined in value from 10,948,515 sucres in 1938 to 7,810,000 sucres in 1939. Purchases from Italy were reduced slightly, from 4,685,325 sucres in the former year to 4,573,000 sucres in 1939.

Available Ecuadorean statistics do not indicate the extent of Canada's participation in Ecuador's trade, but from figures issued by the Dominion Bureau of Statistics Canadian exports to Ecuador are shown as totalling \$51,414 in value in 1938. On account of difficulties in obtaining supplies of some commodities from Europe following the outbreak of war, particularly newsprint, shipments of this commodity from Canada to Ecuador were increased in 1939 by some 20 per cent and totalled \$61,045 in value. As has been reported previously, Canadian export trade with Ecuador is adversely affected by a surcharge of 50 per cent of the duties on imports from the Dominion, coupled with the fact that most of the countries mentioned above, and with which Canada might compete for various lines, have trade agreements with Ecuador, which in some cases allows them a preference of 30 per cent below the basic tariff rates. This surcharge is invoked in the case of any country whose balance of trade with Ecuador is unfavourable to that country by more than 30 per cent. Prospects for increased Canadian trade with Ecuador for all articles—other than those which are duty free, such as newsprint, agricultural machinery, machinery for industry, certain railway equipment, and a few other items of necessity for the development of the country—are not particularly bright in the face of the above-mentioned tariff disadvantage.

DISTRIBUTION OF TRADE

The noteworthy features of Ecuador's trade in 1939—greatly improved trade in both directions with the United States, and the effect of the war in Europe on both imports from and sales to the various countries of that continent—are clearly indicated in the following summary of preliminary statistics showing values and percentages of the imports and exports by principal countries, with comparative figures for the two previous years.

Distribution of Trade by Values

Country of Origin or Destination	1937	Imports		Exports		1939
		1938	1939	1937	1938	
		Values in Thousands of Sucres				
Total	131,643	148,315	147,860	164,045	169,096	164,841
United States	52,086	51,311	71,950	54,422	63,418	80,947
Germany	31,701	35,766	26,767	35,974	29,595	11,277
United Kingdom	13,250	11,462	8,094	4,411	7,909	6,156
France	4,114	6,465	7,339	20,539	13,521	10,802
Japan	4,259	10,949	7,810	6,261	4,132	6,386
Italy	3,760	4,635	4,573	6,313	2,611	3,605
Peru	2,739	2,109	3,789	2,908	12,544	5,730
Chile	2,375	2,310	1,959	5,027	6,335	4,972
Belgium	1,896	2,550	1,466	1,867	1,415	3,758
Netherlands	1,743	1,435	1,661	3,592	2,531	4,120
Uruguay	.....	.....	.....	8,662	9,188	8,714
Cuba	.....	4,144	3,042	949	1,281	1,055
Argentina	2,464	507	500	1,799	419	2,218
Brazil	.....	324	237	2,896	4,955	2,109
Sweden	1,052	1,489	794	.....	633	1,188
Denmark	608	301	233	624	1,070	1,728
Norway	595	868	881	*	196	248
Switzerland	1,162	4,823	1,264	489	*	*
All others	7,839	6,816	5,501	7,312	7,343	9,828

* Not available.

Percentage Distribution among Principal Countries

Country of Origin or Destination	1937	Imports		Exports		1939
		1938	1939	1937	1938	
		Values in Thousands of Sucres				
United States	39.6	34.6	48.7	33.2	37.5	49.1
Germany	24.1	24.1	18.1	21.9	17.5	6.8
United Kingdom	10.1	7.7	5.5	2.7	4.7	3.7
France	3.1	4.4	5.0	12.2	8.0	6.5
Japan	3.2	7.4	5.2	3.8	2.5	3.9
Italy	2.9	3.2	3.0	1.5	1.6	2.2

ECONOMIC CONDITIONS IN GUATEMALA

R. T. YOUNG, CANADIAN TRADE COMMISSIONER

Mexico City, July 12, 1940.—The European situation has had an increasingly serious effect upon the economic position of Guatemala, which has heretofore depended largely upon Scandinavia, the Netherlands and Belgium as markets for its coffee. As a result of the German invasion of these countries, payments for shipments made thereto have been suspended, with consequent hardships upon the Guatemalan industry. In the past a large part of the financing of the Guatemalan coffee crop has been provided by a Dutch organization but due to the occupation of that country, this cannot be supplied in future. A much heavier burden is therefore thrown upon the Central Bank, which has been putting forth every effort to reduce individual credits, but has nevertheless been obliged to grant credits of this nature to an extent which, in view of the precarious position of the whole coffee market, endangers the financial structure of the country.

Because of restricted markets in the month of May, the United Fruit Company found it necessary to stop all purchases of bananas from independent

planters. This would have been most serious for many of them but, from their point of view, the situation has slightly improved because of a hurricane which destroyed much of the company's own plantations and forced them to have recourse to purchases from independent growers.

Generally speaking, money is extremely scarce, and business conditions are correspondingly unfavourable.

FOREIGN TRADE

Official statistics for the first three months of the year show exports valued at 5,398,040 quetzals as against 6,425,933 quetzals in the corresponding period of 1939, and imports valued at 4,021,346 quetzals as compared with 3,624,733 quetzals.

FINANCES AND BANKING

As at May 31, 1940, the value of notes of the Central Bank in circulation was 7,867,741 quetzals as compared with 7,672,232 quetzals on the corresponding date in 1939. The gold reserve of the bank on the same date in the respective years was 7,720,426 quetzals and 6,176,465 quetzals. Corresponding reserves of foreign exchange were valued at 2,590,008 quetzals and 2,259,917 quetzals, and sight deposits on May 31, 1940, amounted to 9,750,604 quetzals as against 7,564,246 quetzals on the same date in 1939.

TRADE PROSPECTS

Prior to the outbreak of hostilities in Europe, 40 per cent of the coffee crop went to that continent, and until some solution is found for disposing of next season's crop, there is little prospect for any revival of trade.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office at New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to June 29, 1940:—

	Total Quota	Reduction in Duty from the 1930 Tariff Act	Used by Canada to June 29, 1940	
			Quantity	Per Cent
Cattle (700 lbs. or more) .. Head	225,000	3 to 1½c. per lb.	37,386	16.6
Cattle (less than 200 lbs.) .. Head	100,000	2½ to 1½c. per lb.	72,415	72.4
Whole milk Gals.	3,000,000	6½ to 3¼c. per gal.	3,490	....
Cream Gals.	1,500,000	56¼ to 28¾c. per gal.	301	....
Filletted fish, fresh or frozen—cod, haddock, hake, pollock, cusk, and rosefish Lbs.	15,000,000	2½ to 1¾c. per lb.	5,489,586	36.5
Seed potatoes Bus.	1,500,000	75 to 37½c. per 100 lbs.	1,234,322	82.1
	beginning Sept. 15, 1939	(60c. Dec. 1-23)		
White or Irish potatoes, other than seed potatoes Bus.	1,000,000	75 to 60c. per 100 lbs.	592,528	59.2
	beginning Sept. 15, 1939	Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30.		
Silver or black fox furs .. . Units	100,000	50% to 35% ad val.	58,300	Quota filled Mar. 5, 1940
	beginning Dec. 1, 1939			

During the second quarter of 1940 Canada has shipped 17,681 head of cattle weighing 700 pounds or more, other than dairy cows, to the United States, or 34.1 per cent of the quarterly allotment of 51,720 head. The quota allotment of 8,280 head from countries other than Canada for the second quarter of the year has been filled, and receipts over and above this amount have been subject to the full tariff rate.

UNITED KINGDOM TRADE CONTROL: TOBACCO CONTROLLER APPOINTED

The Chief Trade Commissioner in London writes that the Board of Trade have announced the appointment of a Tobacco Controller. He will administer a new Order, which has just come into effect, providing that no one shall buy unmanufactured tobacco without having first secured a licence from the Board. The new Controller is Mr. A. H. Maxwell, who has been Tobacco Advisor to the Board of Trade since January. A committee of persons engaged in the industry will advise him on matters of common interest to the trade.

It is pointed out that the control applies only to unmanufactured tobacco and does not extend to retail trade in manufactured tobacco. There is no present intention of rationing tobacco. The institution of the Control has been made necessary by the difficulty of obtaining normal supplies. Although still receiving imports of tobacco from certain Empire countries, the United Kingdom is being compelled to depend on stocks to a substantial extent. These stocks are for the time being sufficient, but as they are at present not evenly divided among manufacturers, it is necessary to ensure that each shall have supplies made available to him in accordance with the proportion of the trade which he has been accustomed to handle.

The Control is also designed to check any tendency towards profiteering, to which the reduction in normal imports and consequent scarcity of certain grades may give rise.

TARIFF CHANGES AND TRADE REGULATIONS

Canada

PERMITS REQUIRED FOR EXPORT OF CHEESE

A memorandum of the Canadian Department of National Revenue, issued on July 16, instructs Collectors of Customs and transportation companies that, with the exception of cheese shipped to the United Kingdom by licensed exporters in the name of the Dairy Products Board, no cheese is to be accepted for shipment or released for export unless accompanied by Foreign Exchange Control Board Form B stamped "Approved on behalf of the Dairy Products Board" and signed by an officer duly authorized by the Board. This action is in pursuance of an Order of the Dairy Products Board by virtue of regulations established by Order in Council No. 2138 of May 23, 1940. Applications for permission to export cheese should be on Foreign Exchange Control Board Form B and must contain, in addition to the information required on Form B, information as to the kind, style and grade of the cheese. Applications in quintuplicate must be forwarded direct to the Dairy Products Board, Ottawa.

United Kingdom

TOBACCO DUTY INCREASED BY BUDGET

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, cables that the supplementary budget introduced on July 23 increases the duty on tobacco imported into the United Kingdom by 2s. per pound, making the basic full rate 19s. 6d. per pound and the preferential rate (applicable to Empire-grown tobacco) 17s. 5½d. per pound. The increase is effective July 24. The cablegram adds that there are also increases on beer and wine.

IMPORTS FOR RE-EXPORT AND STOCK REPLACEMENT

With reference to an announcement in *Commercial Intelligence Journal* No. 1875 (January 6, 1940), page 34, respecting import licences in the United

Kingdom for goods required in the re-export trade and for replacement of stocks, the Chief Canadian Trade Commissioner in London writes that the Import Licensing Department has given notice to importers that recently it has been necessary to review the general import licensing policy, having regard to the increased pressure upon the United Kingdom's resources of foreign exchange and upon the available shipping and port facilities. Moreover, in most British countries overseas, licences are not being granted for the importation of luxuries or other unessential goods, and it is considered, therefore, undesirable that facilities should be given for shipping to those countries, via the United Kingdom, foreign goods which would not be admitted if imported direct.

Accordingly, while they are prepared to consider special cases, the Import Licensing Department cannot undertake in future to grant licences to import foreign goods for re-export to countries within the sterling area of the Empire if the goods are of a kind which would not be licensed for importation for home consumption. Similarly, where goods of this kind are exported from stock, after July 1, 1940, to countries within the sterling area of the Empire, the Department cannot undertake to grant licences to import similar goods from foreign countries for stock replacement.

The sterling area of the Empire comprises all British countries except Canada, Newfoundland, and Hongkong.

UNDRESSED FUR SKINS REQUIRE INDIVIDUAL IMPORT LICENCES

With reference to the article in *Commercial Intelligence Journal* No. 1906 (June 29, 1940), page 1036, respecting United Kingdom import licensing, Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, cables that the Open General Licence under which undressed fur skins have been admitted into the United Kingdom without the formality of an individual licence for each shipment is revoked except as regards skins despatched before July 17 and imported before September 17.

Undressed fur skins should not in future be shipped to the United Kingdom unless assurance has been received from the importer that the necessary import licence has been, or will be, granted for the particular shipment in question.

Australia

NEWSPRINT TO BE RATIONED

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

Sydney, June 1, 1940.—The Commonwealth Minister for Trade and Customs announced on May 28 the decision of the Government to ration newsprint used in the production of daily and weekly newspapers, magazines, and such publications. The percentage reductions, which will be applicable as from July 1, 1940, are as follows:—

Daily Papers.—Provincial papers, 24 pages and under a week are exempt; those exceeding 24 pages and up to 48 pages a week, 16½ per cent reduction; intermediate papers exceeding 48 and up to 72 pages a week, 25 per cent reduction; large papers exceeding 72 pages a week, 35 per cent reduction.

Sunday Papers.—Containing 24 to 32 pages, 25 per cent reduction; exceeding 32 and up to 48 pages, 30 per cent reduction; exceeding 48 pages, 35 per cent reduction.

Weekly Papers.—Containing 16 pages or under, 25 per cent reduction; exceeding 16 and up to 28 pages, 30 per cent reduction; exceeding 28 pages, 35 per cent reduction.

The Minister for Customs further stated that, for the purpose of determining the extent to which such rationing should be applied, the tonnage of newsprint used by each separate publication during the "base" year (year ended June 30, 1939) would constitute the basis for the proposed reductions in consumption. The sliding scale of reductions would be based on the average number of pages (broadsheet or the equivalent thereof) in each publication during the 1938-39 period.

It was further pointed out that, although the scheme will not come into operation until July 1, it was expected that newspaper proprietors would immediately undertake progressive reductions in the size of their papers so that undue dislocation might not occur when full percentage reductions are applied.

These restrictions will operate for six months as from July 1, after which the question of newsprint rationing will again be reviewed.

This rationing of newsprint is expected to result in a reduction in consumption of some 54,000 tons per annum, a saving of more than one million pounds of non-sterling exchange.

New Zealand

SALES TAX INCREASED

Mr. T. O. W. Brebner, New Zealand Official Customs Representative in New York, advises that as from June 28 the sales tax in New Zealand has been increased from 5 per cent to 10 per cent. This tax applies to both domestic and imported goods (with specified exemptions) and is levied in the case of imports on the dutiable value (in New Zealand currency) plus duty, the sum of these being increased by 25 per cent thereof.

Trinidad

TARIFF ON CONDENSED MILK

A resolution of the Trinidad Legislative Council of June 19, 1940, reduces from 9 to 8 per cent the minimum percentage of butter fat required in milk, condensed or otherwise prepared, in order to escape the higher duties of 5 cents per pound preferential rate and 10 cents per pound general tariff. When the butter-fat is 8 per cent or more, the rates are 13 cents per 42 pounds preferential and 52 cents general tariff. The British preferential tariff applies to Canada and other British Empire countries and the general tariff to countries outside the British Empire.

India

IMPORT PROHIBITIONS

With reference to the notice in *Commercial Intelligence Journal* No. 1899 (June 22, 1940), page 993, respecting an import licensing system adopted in India, the Canadian Trade Commissioner at Bombay cables that an official notification was issued on June 25 placing under prohibition 34 of the 68 groups of commodities which have been subjected to import licence when imported from non-Empire sources. Of the 68 groups of commodities subjected to import licence, only 7 require import licence from Canada or other parts of the British Empire. One of the 7 comprises jams, jellies, pickles, chutneys, sauces and condiments, canned or bottled, and imports of these goods, the Trade Commissioner reports, have been placed under prohibition whether from foreign countries or non-sterling Empire countries, including Canada.

Ceylon

IMPORT CONTROL REGULATIONS

With reference to the article in *Commercial Intelligence Journal* No. 1889 (April 13, 1940), page 555, concerning Ceylon trade regulations, a Notification of April 30, under the Defence (Control of Imports) Regulations, provides that the following goods, formerly prohibited from non-sterling countries, including Canada, may now be imported without restriction from all sources: Iron and steel plates and sheets, not coated, fabricated; iron and steel bolts and nuts; foundry and workshop machinery; prime movers, not electrical;

textile machinery; gas mantles; jewellery including silver, gold, silver-plated and gold-plated wire and thread but excluding imitation jewellery; sports and athletic materials other than firearms, ammunition and rubber balls; and harrows. In addition, the following goods formerly prohibited from non-sterling areas may now be imported under licence: Confectionery; coriander seed and cummin seed; iron and steel plates and sheets, coated, galvanized, corrugated, not fabricated; tubes and pipes, wrought iron and steel $\frac{1}{8}$ inch to 6 inches in diameter, not fabricated; and unspecified manufactures of brass and alloys of copper.

Liqueur in the bottle, rum, and tallow for candles, formerly unrestricted, are now prohibited from non-sterling areas, and hollowware (household, kitchen, enamelled or tinned), raw sugar, petroleum (refined) and lubricating oil, formerly unrestricted, have been made subject to licence when from the same areas.

Burma

IMPORT CONTROL REGULATIONS

Advice by air mail from Mr. K. F. Noble, Acting Trade Commissioner at Bombay, makes it possible to extend the cabled advices regarding import control measures introduced in Burma with effect from June 16, which were published in *Commercial Intelligence Journal* No. 1901 (July 6, 1940), page 34.

Under the control scheme 71 tariff classifications have been selected for control. Of these, 34 are subject to import prohibition from elsewhere than the British Empire, while the remaining 37 will be subject to a varying degree of restriction which will range from nil to 100 per cent at the discretion of the Import Trade Controller, Burma.

Supplementary legislation has exempted all parts of the British Empire with the exception of Hongkong from this control except in so far as it applies to the following six groups of commodities: (1) Biscuits, cakes and farinaceous and patent foods, canned or bottled; (2) jams, jellies, pickles, chutneys, sauces and condiments, canned or bottled; (3) proprietary and patent medicines; (4) rubber tires and tubes and other manufactures of rubber, excluding wearing apparel and boots and shoes; (5) stationery, including drawing and copy-books, labels, almanacs, calendars and greeting cards; (6) complete motor vehicles whether cars or trucks.

Other general provisions of the Ordinance provide for complete exemption of domestic Indian products from all regulation and for special treatment of a limited group of products of the French Empire. For the purposes of the Ordinance, French possessions in India are included in India.

The six groups of Canadian products subject to control will require the approval of the Import Trade Controller, Burma, before orders can be placed. Such approval will, it is believed, be based on a predetermined confidential percentage of the existing trade during a normal pre-war year. In India such year was the twelve months ending August 31, 1939, and it is thought that a similar normal period will be used.

OPPORTUNITY FOR CANADIAN MANUFACTURERS

The Canadian manufacturers and exporters of the following products which are subject to prohibition from non-Empire sources are afforded an opportunity of entering the Burma market or extending their existing sales under favourable circumstances: Confectionery; sugar-candy; canned and bottled provisions; groceries; tobaccos, manufactured; soaps, leather, including calf, kid, and patents; leather cloth and artificial leather; haberdashery, millinery and drapery; silver-plated wares, including cutlery and surgical equipment; firearms; and smokers' requisites.

In the case of the larger group of imports subject to restrictive licensing, Canadian suppliers will benefit, and those at present unrepresented will be

afforded an excellent opportunity to enter the market. The principal types of such regulated goods are: Fruits, fresh, dried and preserved; fruits and vegetables, canned or bottled; ale and beer; lubricating oils; toilet requisites; paints and painters' materials; lead pencils; fabrics containing more than 10 per cent silk; oilcloth and floor cloth; boots and shoes; enamelled ironwares; domestic and builders' hardwares; cutlery and surgical equipment, not elsewhere specified; bicycles, parts and accessories; photographic apparatus; clocks, watches and parts; games, toys, playing cards, and requisites for games and sports.

Canadian manufacturers interested in supplying any of the above items should communicate with the Department of Trade and Commerce, Ottawa, for the purpose of obtaining a list of reputable importers who are in a position to act as representatives. An adequate supply of literature (at least six or preferably twelve pieces) should be forwarded to the office of the Canadian Trade Commissioner at Bombay, accompanied by lowest export quotations, which should include an agent's commission of $7\frac{1}{2}$ per cent. To avoid duplication of effort, Canadian firms writing to this office should state what action has been taken after consulting with the Department at Ottawa.

United States

EXPORT CONTROL OF WAR MATERIALS

A proclamation of the President for administration of Section 6 of an "Act to expedite the strengthening of the National Defence," approved July 2, 1940, enumerates various articles and materials which are not to be exported from the United States except when authorized in each case by a licence from the Secretary of State. These articles are:—

Arms, ammunition, and implements of war as defined in proclamation No. 2237 of May 1, 1937.

Chemicals as follows: ammonia and ammonium compounds, chlorine, dimethylaniline, diphenylamine, nitric acid, nitrates, nitrocellulose (having a nitrogen content of less than 12 per cent), soda lime, sodium acetate (anhydrous), strontium chemicals, sulphuric acid (fuming).

Products as follows: aircraft parts, equipment, and accessories other than those listed in proclamation of May 1, 1937; armour plate, other than that listed in proclamation of May 1, 1937; glass, non-shatterable or bulletproof; plastics, optically clear; optical elements for fire-control instruments, aircraft instruments, etc.

Machine tools as follows: metal-working machinery for melting or casting, pressing into forms, cutting or grinding (power-driven), welding.

The following basic materials and products containing the same words within parentheses indicate how the terms are to be construed:—

Aluminium (metallic and alloys, crude, semi-fabricated and scrap, containing in excess of 10 per cent aluminium); antimony (ores, concentrates, metal, alloys in crude and semi-fabricated form, and antimony compounds); asbestos (crude and semi-fabricated, if chiefly of fibres of three-quarters of an inch or more in length); chromium (chromite, metallic chromium, chromium bearing alloys containing in excess of 10 per cent chromium, chromite refractories, and chromium compounds); cotton linters; flax (flax and cloth containing flax, except when manufactured into wearing apparel or household goods); graphite (flake graphite and graphite crucibles, retorts and stoppers); hides (cattle and horse); industrial diamonds; manganese (ores or concentrates containing 45 per cent or more of metallic manganese, and alloys containing in excess of 10 per cent metallic manganese); magnesium (metallic and alloys, crude, semi-fabricated, and scrap, containing in excess of 10 per cent magnesium); manila fibre; mercury (ores and concentrates and metallic mercury); mica (blocks, sheets, splittings, and semi-fabricated forms produced therefrom); molybdenum (ores, concentrates, metal, alloys containing in excess of 10 per cent molybdenum and molybdenum compounds); optical glass; platinum (group metals and alloys); quartz crystals (piezo electric and optical); quinine (barks, cinchona or others from which quinine may be extracted, and quinine sulphate); rubber (all forms and types of crude rubber, reclaimed rubber, and

scrap rubber containing in excess of 5 per cent rubber); silk (raw and waste); tin (metal, alloys containing in excess of 5 per cent tin in crude and semi-fabricated form; tinplate scrap and other scrap materials plated with metal containing tin; and other tin or tin alloy and wastes); toluol (toluol and light oil resulting from the distillation of coal tar); tungsten (ores and concentrates, metal, alloys containing in excess of 5 per cent tungsten compounds); vanadium (ores and concentrates; alloys containing in excess of 10 per cent vanadium, and vanadium compounds); wool (in the grease, or washed, scoured on the skin, or when pulled or sheared).

Except as otherwise indicated the terms used in the foregoing list do not include completely fabricated articles or materials which are ready for ultimate consumption.

The application form for a licence requires, among other things, the name, address and nationality of the consignee and purchaser in the foreign country and the specific purpose for which the material is required. One duplicate application is required for each complete shipment to any one consignee and may include more than one commodity, but may not include shipments to more than one country. Export licences must be filed with the Collector of Customs at the port from which the shipment is departing from the United States prior to the proposed departure. Shipment must be made from port of exit within one year from date of the licence.

Argentina

LEGALIZATION OF INVOICES

Mr. Saul Aguilar, Consul General of Argentina in Ottawa, writes that a Resolution passed by the Argentine Department of Finance on March 26, 1940, established the following regulations regarding legalization of consular and commercial invoices covering goods shipped from Canada to Argentina:—

1. All goods exported from Canada to Argentina must be accompanied by a consular and commercial invoice, excepting goods sent by parcel post of a value not exceeding 550 Argentine paper pesos, or its equivalent in Canadian currency at the exchange rate on the day of despatch, when addressed to merchants duly inscribed in the Custom House registers. Beginning July 1, 1940, the rate of exchange to be applied for the collection of consular fees will be \$26.246 Canadian per 100 Argentine paper pesos. Consequently the equivalent of 550 paper pesos is \$144.35 Canadian. This rate of exchange is, however, subject to fluctuations.

2. The consular and commercial invoices must be legalized at the corresponding Argentine Consulates in Canada which are located as follows: Consulate General, in Ottawa; Consulates, in Montreal and Quebec City; and Vice-consulates, in Vancouver and Saint John.

3. When goods are shipped at Montreal, Quebec, Saint John or Vancouver and bound for Argentina, the consular and commercial invoices together with the bill of lading must be legalized at these ports of shipment.

4. When goods are shipped from Canada, by railway or by any other means of transportation, to another country to be re-shipped to Argentina, the consular and commercial invoices must also be legalized at the Argentine consulates in Canada, and if a through bill of lading were issued, this must also be presented for legalization together with the consular and commercial invoices.

5. When goods are shipped according to Art. 4 and the said shipment is made from Montreal, the consular and commercial invoices must be legalized at the Argentine Consulate of the same city; if they are shipped from Quebec, these documents must be legalized at the Argentine Consulate in Quebec; the same applies for the Vice-consulates of Saint John and Vancouver, where these documents must be legalized should the goods be shipped either from Vancouver or from Saint John.

6. When goods are shipped according to Art. 4 but the shipment is made outside the ports mentioned in Art. 5, the consular and commercial invoices must be legalized at the Consulate General in Ottawa.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JULY 22, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for the principal exchanges for the week ending Monday, July 22, 1940, and for the week ending Monday, July 15, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending July 15	Nominal Quotations in Montreal Week ending July 22	Official Bank Rate
Finland	Markka	.0252			4
Great Britain	Pound	4.8666	\$.0218	\$.0218	
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130		.0073	6
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial		.1951	.2150	—
Yugoslavia	Dinar	.0176	.0249	.0249	5
Portugal	Escudo	.0442	.0428	.0428	4-4½
Roumania	Leu	.0060			3½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2645	.2643	3
Switzerland	Franc	.1930	.2520	.2521	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2202	.2220	3
Cuba	Peso	1.0000			—
Guadeloupe	Franc	.0392			—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392			—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2403	.2470	—
Brazil	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0557	.0558	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6325	.6326	4
Peru	Sol	.2800			6
Venezuela	Bolivar	.1930			—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4052	.3944	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar		.0684	.0672	—
Hongkong . . . . .	\$		.2660	.2662	—
India	Rupee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2601	.2601	3.29
Java	Guilder	.4020			—
Thailand (Siam)	Baht (Tical)	.4424			—
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5760	3.5760	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

There was no change in official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds during the week ended July 22. These rates were \$4.43-\$4.47 and \$1.10-\$1.11 respectively. At New York sterling free market rates fluctuated between \$3.78 on the 17th and \$3.91 on the 19th, while the close at \$3.81 indicated a net loss of 5 cents. In the same period Canadian funds at New York rose to a nine months' peak of 88½ cents for a net gain of 1½ cent. The market for free sterling has been extremely limited since the 18th following new London regulations earlier in the week requiring official sterling after that date in payment for all British exports. Quotations for the Argentine peso (free rate) at Montreal stiffened 67 points to 24.70 cents between July 15 and 22, while Swiss francs were up 1 point to 25.21 cents.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Butter.....	506	Curacao, Dutch West Indies.....	Purchase.
Wines, All Kinds.....	507	Curacao, Dutch West Indies.....	Purchase.
Miscellaneous—			
Soap, Laundry.....	508	Curacao, Dutch West Indies.....	Purchase.
Fibre Attaché and Suit Cases....	509	Curacao, Dutch West Indies.....	Purchase.
Men's Summer Suits.....	510	Panama City, Panama....	Agency.
Printing Papers, White and Tinted; Strawboard or Substitutes.....	511-12	Port of Spain, Trinidad....	Purchase.
Asbestos Packing.....	513	Santiago, Chile.....	Purchase.
Asbestos.....	514	Panama City, Panama....	Purchase.
Food Choppers.....	515	Sydney, Australia.....	Agency.
Small Woodenware (Washboards, Coat-hangers, Rat-traps, etc.)..	516	East London, South Africa.	Agency.
White Shoe-polish (Liquid).....	517	Port of Spain, Trinidad....	Purchase and Agency.
Axes and Hatchets.....	518	Durban, South Africa....	Agency.
Saws, Circular; Chains, All Kinds	519-20	Santiago, Chile.....	Purchase.
Grinding Wheels; Type Metals..	521-22	Santiago, Chile.....	Purchase and Agency.
Ball Bearings.....	523	Sydney, Australia.....	Agency.
Boiler Tubes and Steel Tubing..	524	Valparaiso, Chile.....	Purchase.
Gas-proof Electric Motors for Oilfields.....	525	San Fernando, Trinidad....	Purchase.
Electrical Conduits.....	526	Cali, Colombia.....	Agency.
Wire, Binding, Fencing and Barbed.....	527-29	Nietheroy, Brazil.....	Purchase.
Coke, Metallurgical.....	530	Santiago, Chile.....	Purchase and Agency.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: G. R. HEASMAN, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucom.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: W. J. RIDDIFORD, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL



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Ottawa, August 3, 1940

No. 1905



Canadian Flour being unloaded at Hongkong

ISSUED BY AUTHORITY OF
THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE
J. G. PARMELEE, DEPUTY MINISTER

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No. 1905

MR. BRIGHTON TO VISIT NICARAGUA AND COSTA RICA

Mr. H. W. Brighton, Canadian Trade Commissioner at Panama City, plans to visit Nicaragua and Costa Rica shortly in the interest of Canadian trade with those countries. In the course of his tour Mr. Brighton will spend some time at each of the principal business centres.

Canadian exporters interested in the Costa Rican or Nicaraguan market and wishing to have investigations made in their behalf should communicate with Mr. Brighton as early as possible, supplying him with precise and full information. His address for letters is P.O. Box 222, Panama City, R.P.

TRANS-PACIFIC AIR MAIL: SAN FRANCISCO-AUCKLAND ROUTE

The United States Post Office Department advise that regular flights on the new trans-Pacific air mail route from San Francisco via Hawaii, Canton Island and New Caledonia to Auckland, New Zealand, and return will be made on the following schedule commencing Saturday, July 27, with subsequent trips every other Saturday:—

Sat.	12 noon	Lv.	San Francisco, Calif.	PST	Ar.	2.00 p.m.	Wed.
Sat.	2.30 p.m.	Ar.	Los Angeles, Calif.		Lv.	11.00 a.m.	Wed.
Sat.	4.00 p.m.	Lv.	Los Angeles, Calif.		Ar.	10.00 a.m.	Wed.
Sun.	6.00 a.m.	Ar.	Honolulu, Hawaii.	HST	Lv.	2.30 p.m.	Tue.
Mon.	6.00 a.m.	Lv.	Honolulu, Hawaii		Ar.	5.00 p.m.	Mon.
Mon.	5.30 p.m.	Ar.	Canton Island	180°	Lv.	3.00 a.m.	Mon.
Tue.	6.00 a.m.	Lv.	(International Date Line)		Ar.	10.00 p.m.	Sat.
Wed.	5.30 p.m.	Ar.	Noumea, New Caledonia	E165°	Lv.	6.00 a.m.	Sun.
Thur.	8.00 a.m.	Lv.	Noumea, New Caledonia		Ar.	4.30 p.m.	Sat.
Thur.	4.30 p.m.	Ar.	Auckland, New Zealand	NZT	Lv.	9.00 a.m.	Sat.

The postage rates, including air mail fee from Canada for such air mail correspondence will be as follows:—

	Cents per Half Ounce
To Hawaii	30
To Canton Island	45
To New Caledonia	60
To New Zealand	75
To Australia	90

Air mails for Australia will be routed via Auckland by a connecting air service.

The above rates include, in addition to the Pacific air transit, air-mail transmission where available in Canada and the United States.

SUMMARY OF THE TRADE OF CANADA: MONTH, SIX MONTHS, AND TWELVE MONTHS ENDING JUNE, 1940

(EXCLUDING GOLD)

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of June, 1940			Six Months ending June, 1940			Twelve Months ending June, 1940		
	Total Imports	From United Kingdom	From United States	Total Imports	From United Kingdom	From United States	Total Imports	From United Kingdom	From United States
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Imports for Consumption</i>									
Agricultural and Vegetable Products.....	15,025,602	541,731	5,970,197	76,275,603	4,501,769	28,531,140	146,448,765	11,009,652	52,250,793
Animals and Animal Products.....	2,293,242	214,840	1,168,780	22,156,043	1,638,331	13,539,878	40,611,052	4,169,059	23,465,631
Fibres, Textiles and Textile Products.....	10,993,653	4,312,899	4,831,662	82,633,928	30,839,663	38,439,124	140,231,321	51,093,750	64,035,781
Wood, Wood Products and Paper.....	3,123,756	101,824	2,781,209	19,073,467	1,976,945	18,849,566	37,338,941	2,774,120	32,583,641
Iron and its Products.....	23,377,945	1,831,800	21,232,993	127,063,181	10,073,895	117,869,497	236,276,970	21,023,110	209,774,140
Non-Ferrous Metals and their Products.....	5,023,913	3,687,838	27,296,055	27,296,055	3,013,905	10,862,374	52,140,840	5,463,966	37,196,411
Non-Metallic Minerals and their Products.....	19,304,507	16,296,402	16,296,402	70,897,041	8,013,746	58,762,768	190,233,217	12,823,737	131,224,940
Chemicals and Allied Products.....	4,683,399	553,751	3,807,416	24,718,430	3,775,959	21,333,869	71,339,899	17,807,001	38,683,391
Miscellaneous Commodities.....	6,878,518	2,107,889	4,475,150	41,186,631	11,323,518	28,096,293	171,396,986	15,873,293	51,216,132
Total Imports, 1940.....	90,704,835	11,851,177	64,181,711	406,100,765	73,265,427	337,985,646	926,077,000	132,068,959	629,815,800
Total Imports, 1939.....	63,709,402	10,124,668	39,388,514	321,079,319	53,204,777	205,068,303	601,888,438	114,386,722	414,416,569
Total Imports, 1938.....	58,946,698	9,241,781	30,381,400	336,692,233	59,310,485	215,382,281	764,712,811	137,283,305	408,003,415
<i>Exports (Canadian Produce)</i>									
Agricultural and Vegetable Products.....	19,605,723	11,683,027	5,173,939	118,500,947	75,018,320	25,675,740	202,616,830	128,637,032	91,836,045
Animals and Animal Products.....	10,991,651	6,638,468	3,420,641	75,821,634	48,343,273	21,237,321	147,387,639	83,974,794	41,060,029
Fibres, Textiles and Textile Products.....	2,080,570	8,956,704	630,766	10,225,077	3,270,853	1,281,084	77,756,933	4,703,380	2,639,684
Wood, Wood Products and Paper.....	34,364,556	10,960,200	636,153	149,061,754	29,272,961	93,770,855	286,596,940	54,374,678	198,093,531
Iron and its Products.....	15,461,417	10,960,200	636,153	47,832,133	27,272,961	2,570,756	78,182,638	32,317,523	5,372,612
Non-Ferrous Metals and their Products.....	18,338,149	10,349,400	5,946,152	100,206,493	52,039,536	28,280,280	191,899,702	91,094,542	57,443,202
Non-Metallic Minerals and their Products.....	2,698,216	491,827	1,469,119	15,176,806	2,547,650	8,369,205	33,433,625	4,950,721	18,541,636
Chemicals and Allied Products.....	2,485,648	737,449	667,951	16,302,893	4,580,985	6,581,067	28,326,589	7,070,049	10,648,090
Miscellaneous Commodities.....	4,677,051	3,305,772	746,907	14,811,495	8,144,807	4,046,735	23,330,077	10,174,237	8,483,996
Totals, 1940.....	110,823,041	53,893,738	39,350,431	548,139,232	247,970,765	191,852,043	1,069,530,973	423,269,016	427,070,435
Totals, 1939.....	76,367,281	30,312,949	26,410,385	403,534,363	152,800,991	145,173,655	331,560,729	331,560,729	331,560,729
Totals, 1938.....	65,943,946	25,597,602	20,043,037	387,049,551	160,629,139	118,002,796	387,042,346	387,042,346	387,042,346
<i>Exports (Foreign Produce)</i>									
Totals, 1940.....	798,615	91,581	631,188	5,571,797	250,345	4,936,676	11,635,428	611,939	10,184,348
Totals, 1939.....	1,202,518	100,461	1,019,214	4,331,978	425,599	4,113,879	10,636,665	1,193,780	8,512,874
Totals, 1938.....	888,489	242,423	533,801	5,395,329	967,559	3,897,742	12,194,915	1,587,382	9,475,502
<i>Excess of Imports (i) or all Exports (e)</i>									
Totals, 1940.....	(e) 20,916,821	(e) 42,134,142	(i) 24,200,092	(e) 57,610,244	(e) 174,555,683	(i) 141,196,927	(e) 155,089,401	(e) 291,812,806	(i) 192,561,026
Totals, 1939.....	(e) 13,860,397	(e) 20,288,712	(i) 11,958,915	(e) 87,387,022	(e) 98,021,813	(i) 55,730,769	(e) 202,866,956	(e) 217,767,545	(i) 108,271,667
Totals, 1938.....	(e) 7,885,737	(e) 16,598,247	(i) 16,504,622	(e) 55,752,845	(e) 102,356,213	(i) 93,481,743	(e) 166,097,478	(e) 231,344,373	(i) 159,306,665

TRADE COMMISSIONERS ON TOUR

The following Trade Commissioners are now on tour in the Dominion in the interest of Canadian trade with their respective territories: Mr. Paul Sykes, Bombay, India (whose territory includes Burma and Ceylon); Mr. C. S. Bissett, Havana, Cuba (whose territory includes Haiti, the Dominican Republic, and Puerto Rico); Mr. M. B. Palmer, Port of Spain, Trinidad (whose territory includes Barbados, Windward and Leeward Islands, and British Guiana); and Mr. F. W. Fraser, Kingston, Jamaica (whose territory includes the Bahamas and British Honduras). Their itineraries are as follows:—

Mr. Sykes

Galt and Paris... .. Aug. 6
Brantford and district .. Aug. 7
St. Catharines, Welland,
Dunnville and district.. Aug. 8
Niagara Falls and Thorold Aug. 9
Dundas Aug. 10

Hamilton and Winona .. Aug. 12 to 14
Toronto and district .. Aug. 15 to 28
Whitby, Belleville and
district Aug. 29
Kingston and district.. Aug. 30
Brockville... .. Aug. 31

Mr. Bissett

Toronto and district .. . Aug. 6 to 17
Guelph... .. Aug. 19
Kitchener and district. .. Aug. 20
Galt and Brantford .. Aug. 21
Hamilton and St. Cath-
arines Aug. 22

London and district .. . Aug. 23
Walkerville Aug. 24
Vancouver and Victoria .. Aug. 29 to Sept. 7
Calgary Sept. 9
Edmonton Sept. 10

Mr. Palmer

Vancouver and Victoria... .. Aug. 6 to 12

Mr. Fraser

Montreal... .. Aug. 5 to 17
Granby and district .. Aug. 19
Sherbrooke and district .. Aug. 20 and 21
Quebec Aug. 22 and 23
Saint John Aug. 26 and 30
Grand Manan Aug. 27 to 29
Digby Aug. 31

South Brookfield, Liver-
pool, Bridgewater and
Lunenburg... .. Sept. 2
Halifax Sept. 3 to 5
Stewiacke, New Glasgow
and Truro... .. Sept. 6
Charlottetown and district Sept. 9
Port Elgin, Sackville,
Amherst and Moncton . Sept. 10

Canadian firms who wish to be brought in touch with the Trade Commissioners should communicate, for Montreal, with the Montreal Board of Trade; for Toronto, Edmonton, Vancouver and Victoria, with the office of the Canadian Manufacturers Association; and for other centres, with the respective Board of Trade or Chamber of Commerce.

PRICES OF AGRICULTURAL PRODUCTS IN THE UNITED KINGDOM

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, July 5, 1940.—The Minister of Agriculture has announced a new range of prices for farm products to meet the increased costs of production, chiefly the higher wages now in operation; the prices have been fixed in relation to 1940 only. As regards 1941, the Government reserves complete freedom to make such adjustments in the prices of agricultural products, whether upwards or downwards, as may seem desirable, and detailed decisions on these questions will be announced as soon as possible.

The following prices came into force on July 1:—

Wheat.—The standard price for wheat under the Wheat Act, will be raised from the level of 11s. per cwt. to 14s. 6d. per cwt.

Barley.—It is at present intended that barley sold for malting should remain free from price restriction. An announcement concerning feeding barley may be expected shortly.

Oats.—The maximum price of oats, whether for feeding or milling has been raised to 14s. 6d. per cwt. The former prices were 11s. per cwt. for feeding oats and 12s. per cwt. for milling oats.

Potatoes.—The Ministry of Food will prescribe appropriate minimum prices for potatoes and will take over the entire sound marketable surplus. When the size of the crop is known, price schedules will be fixed to give farmers a return per acre approximately 20 per cent higher than they received for the 1939 crop.

Sugar Beet.—An assurance has been given to sugar-beet growers that the price originally fixed for the 1940 crop would be re-adjusted if the increase in the costs over 1938 were not fully covered by subsequent rises in beet prices. This question cannot be finally determined until after January, 1941, but an interim adjustment has been made of 3s. 9d. per ton, to be added to the basic prices already fixed for 1940 of from 50s. to 52s. per ton.

Milk.—Producers prices for July, August and September, 1940, have been raised by 1½d. per gallon to 1s. 3¾d. per gallon. Appropriate prices for the winter period, beginning October 1, will be fixed at a later stage.

Sheep.—Graduated revisions in prices of sheep will be made from July 1 on the basis of an annual average of 1s. 2d. per pound. The present premium of 1½d. per pound for lambs will be continued. For light-weight ewes the margin below the basic price for fat sheep will be 3d. per pound instead of 4d. A corresponding adjustment for heavier ewes will be made. Should the improved prices for ewes result in unduly heavy marketings, they may be reconsidered.

Pigs.—The basic price for fat pigs has been raised 2s. to 21s. per score in order to enable pig producers to reduce their present stocks to the required extent without loss. Should marketings at any time prove excessive, the Ministry of Food will have to refuse to accept them.

Cattle.—The first aim of the policy respecting cattle is to maintain milk production, and the increase in the milk price has been designed to this end.

As far as fat cattle are concerned, the Minister stated that he desired to offer a fair price to the producer to cover his increased expenses. On the other hand it is considered essential to avoid sudden changes in the schedule of prices which might have the effect of encouraging unduly heavy marketings. The new schedule of prices will be published shortly, but in the meantime it is considered desirable to preserve to the fullest extent possible a national reserve of meat on the hoof during the coming winter, bearing in mind the need for the utmost economy in the use of imported feeding stuffs. Therefore the pre-war inducements to a high standard of finish for fat cattle can no longer be continued. Until such times as the new schedule is available, the seasonal decline in the prices of fat cattle, originally scheduled to take place on July 1, will not be effected.

Eggs.—Producers' prices for eggs are determined indirectly by the maximum retail prices which are prescribed from time to time for home-produced eggs. The increased cost of egg production resulting from the prospective rise in agricultural wages will be borne in mind in this connection.

Wool.—An announcement will be made shortly with regard to the price to be paid by the Ministry of Supply for the 1940 wool clip.

Fruit and Vegetables.—There are no restrictions contemplated on the prices of fruit and vegetables, as the Government considers that, in view of the strong demand for these products and the drastic reduction of imported supplies, prices should, on the whole, prove to be such as to compensate the grower for increased costs.

Wages.—As from June 30 increased minimum wages were payable to all agricultural workers in England and Wales. The increased wages for adult male weekly workers give effect to the national minimum wage of 48s. per week fixed by the Agricultural Wages Board. Corresponding increases have been made for

younger male workers and women and girls, and in any special rates for workers employed in tending animals. In some counties the values of allowances in kind, such as a cottage or board and lodging, have also been increased. The bank authorities have promised to help farmers needing assistance to pay the increased wages until the time they have received their harvest cash.

Income Tax.—The prices of agricultural products now announced suggest that substantial additional profits may accrue to farmers on the better lands. Bearing this in mind, the Government proposes that the arrangement by which farmers have an option to be assessed for income tax under Schedule B should now cease to be applicable above a certain limit.

While a further statement on this subject may be expected in due course, nevertheless the Government is satisfied, taking the country as a whole, that the prices for 1940, which apply throughout the United Kingdom, will fully compensate farmers for the increased costs resulting from present circumstances. It is felt also that it will leave them a margin to help to finance the greatly increased effort for food production which the present national emergency requires, as "this war may well be decided by the last week's supply of food."

In the course of a broadcast speech the Minister of Agriculture said:—

The prices for the next year may in the case of individual products be higher or lower, but they will be so arranged as to enable farmers to carry out the production policy that we shall decide upon. As many of these prices as is possible will be announced in August. The necessary guidance and instructions will be given to individual farmers through our County Executive Committees.

PREScribed MINIMUM FILLED WEIGHTS FOR FRUIT AND VEGETABLES CANNED IN THE UNITED KINGDOM

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, July 2, 1940.—The Minister of Food has made an Order (The Fruit and Vegetables (Canning) Order, 1940) effective July 1, 1940, which requires United Kingdom canners to pack prescribed minimum filled weights of fruit and vegetables in specified containers.

These weights are exclusive of the weight of any added syrup, water or other matter and prior to any sterilization or any other similar process or to sealing:—

FRUIT

The minimum weights prescribed for each class of fruit per can of each type are shown in the following table:—

	APN	A1	E1	A1 Tall	A2	A2½	A10
	Minimum Weights per Can in Ounces						
Gooseberries..	4¾	6½	8	9½	11½	16¾	61
Strawberries..	4¾	6½	8	9½	11½	16¾	61
Raspberries	4¾	6½	8	9½	11½	16¾	61
Loganberries	4¾	6½	8	9½	11½	16¾	61
Blackcurrants	4¾	6½	8	9½	11½	16¾	61
Redcurrants	4¾	6½	8	9½	11½	16¾	61
Raspberries and redcurrants, mixed	4¾	6½	8	9½	11½	16¾	61
Blackberries..	4¾	6½	8	9½	11½	16¾	61
Cherries	5	6½	8½	10	12	17½	64
Greengages	5	6½	8½	10	12	17½	64
Golden plums..	5	6½	8½	10	12	17½	64
Purple plums	5	6½	8½	10	12	17½	64
Victoria plums	5	6½	8½	10	12	17½	64
Damsons..	5	6½	8½	10	12	17½	64
Prunes (dry or scalded)	4	5½	6¾	8	9½	14	51
Fruit salad or fruit cocktail .. .	4½	5½	7½	9	11½	16	61
Apples (solid pack) .. . . . .	..	..	..	..	17	25	92
Apples (in syrup) .. . . . .	..	..	..	..	13½	20	72

VEGETABLES

Minimum weights for each class of vegetable per type of can are as follows:—

	APN	A1	E1	A1 Tall	A2	A2½	A10
	Minimum Weights per Can in Ounces						
Broad beans	5½	7	9	10¾	13	19	69
Butter beans and beans in tomato sauce	4½	5½	7	8½	10	14½	53
Stringless and runner beans, whole	4½	5½	7½	8¾	10½	15½	56
Stringless and runner beans, sliced	4½	6	7½	9	11	16	58
Beetroot, whole	5	6½	8½	10	12	17½	64
Beetroot, sliced	5½	7	9	10¾	13	19	69
Beetroot, diced	5½	6¾	8¾	10½	12½	18½	66
Carrots, whole	5	6½	8½	10	12½	18	65
Carrots, sliced	5½	7	9	10½	12¾	18¾	68
Carrots, diced	5½	6¾	8¾	10½	12½	18½	66
Celery hearts	5½	7	9	10¾	13	19	69
Celery sticks	5½	7	9	10¾	13	19	69
Macedoine (vegetable salad)	5½	6¾	8¾	10½	12½	18½	66
Peas, fresh	5½	6¾	8¾	10½	12½	18½	66
Peas, processed	3¾	5	6½	7½	9	13	48
Potatoes, whole	5½	6¾	8¾	10½	12½	18½	66
Spinach, leaf	5½	7½	9½	11½	13½	19½	72
Spinach, puree	8	10½	13½	16	19	28	101
Turnips, whole	5	6½	8½	10	12	17½	64
Turnips, diced	5½	7	9	10¾	13	19	69

Definitions of the types of cans stipulated are as follows:—

“APN”, a can of a diameter of $2\frac{11}{16}$ inches, a height of $3\frac{1}{8}$ inches, and a capacity of 8.5 fluid ounces.

“A1”, a can of a diameter of $2\frac{11}{16}$ inches, a height of 4 inches, and a capacity of 11.1 fluid ounces.

“E1”, a can of a diameter of $3\frac{1}{16}$ inches, a height of 4 inches, and a capacity of 14.2 fluid ounces.

“A1 Tall”, a can of a diameter of $3\frac{1}{16}$ inches, a height of $4\frac{1}{16}$ inches, and a capacity of 16.9 fluid ounces.

“A2”, a can of a diameter of $3\frac{7}{16}$ inches, a height of $4\frac{1}{2}$ inches and a capacity of 20.4 fluid ounces.

“A2½”, a can of a diameter of $4\frac{1}{16}$ inches, a height of $4\frac{11}{16}$ inches and a capacity of 29.9 fluid ounces.

“A10”, a can of a diameter of $6\frac{3}{16}$ inches, a height of 7 inches and a capacity of 109.2 fluid ounces.

With regard to fruit, the Order further provides that except for apples and fruit packed in “A10” cans for the use of the catering trade, a standard syrup density for canned fruit of 30° Brix (i.e. 30 per cent by weight of syrup must be sugar) must be complied with.

Further, any fruit canned for sale in an “A10” can, or apples other than “apples (solid pack)” canned for sale in any can described above may be packed in syrup of a standard density of 15° Brix provided that such can be labelled “packed in light syrup”, or may be packed in water provided that such can be labelled “water pack”. These conditions regarding fruit do not apply to any fruit repacked from imported canned fruit or to fruit packed from imported dried fruit.

It is desirable to emphasize that the Order applies only to fruit and vegetables packed in the United Kingdom; hence it does not directly affect Canadian trade.

IMPORT EXCHANGE CONTROL IN THE UNITED KINGDOM

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, July 5, 1940.—A report dealing with the regulations governing payments for United Kingdom exports was published in *Commercial Intelligence Journal* No. 1902 (July 13, 1940), page 45.

Regarding payments for United Kingdom imports, as stated in previous reports exchange is automatically granted for the purchase of imported goods which are covered by a licence. According to instructions issued by the Treasury, applications for exchange needed to pay for imports of goods on the prohibited list—full details of which have already appeared in the *Commercial Intelligence Journal*—should not be made until the importer is satisfied that an import licence for the goods can be obtained. In order to facilitate dealing with applications, the import licence should when possible be produced at the time the application for exchange is made.

Although the authorities possess, and occasionally exercise, the right to refuse to grant exchange to pay for goods the importation of which into the United Kingdom is unrestricted, generally speaking all applications for money to purchase such goods are sanctioned. The machinery of foreign exchange control is operated through the leading banks in concert with the Bank of England and the Treasury, and in so far as imported goods are concerned in co-operation with His Majesty's Customs. Subject to strict observance of prescribed safeguards, banks appointed as "authorized dealers" may approve certain types of import transactions without reference to the Bank of England.

APPLICATIONS FOR FOREIGN EXCHANGE

Applicants for foreign exchange are required to apply through their own bank on a special form on which they record details of the proposed transaction, including a description of the goods. Form E is used where the importer requires foreign currency, and Form E. 1 where permission is sought to transfer sterling to the overseas exporter. Importers to whom exchange has been allotted for the purchase of goods from overseas are under obligation to satisfy the Government through their own bank that the sterling transfers approved, or the foreign currency sold to them, were required and have in fact been used for the purposes declared.

ALLOCATION OF EXCHANGE

Where the goods to be paid for have been delivered in the United Kingdom the importer obtains an additional copy of the customs entry conspicuously marked in red ink "for exchange control purposes only." This copy is stamped by the Customs and returned to the importer on the passing of the entry. He presents it to his bank as evidence of importation, together with the relevant invoices. If everything is found to be in order facilities for payment are then provided. As regards goods for which the settlement price is not known at the time of importation, e.g. goods imported on consignment for sale, the documentary evidence subsequently to be produced is the invoice or statement on which settlement is made with the supplier.

In cases where payment is required before the actual importation the importer must satisfy the bank that the proposed transaction is legitimate. To begin with, the bank will be acquainted with the nature of the importer's business, trade practices, and methods of payment. Assuming that the bona fides of the contemplated purchases are established, the importer must produce a copy of his order or similar evidence of purchase, together with the import licence

where such is required. When the exchange is allocated the importer may effect payment. As soon as the goods arrive he secures a copy of the import entry in the manner already described and submits it to the bank as evidence of importation, accompanied by the invoices on which settlement of the goods has been made.

Where the applicant for exchange is not the importer in whose name the customs entry is made, he should obtain the Exchange Control copy of the entry from the importer. If such copy is not available by reason of the fact that the entry covers goods for more than one applicant for exchange, the applicant must ascertain and endorse on the invoices particulars of the appropriate customs entries, viz. port of importation, name of importing ship and date of report, and number and date of entry.

Where goods imported in more than one consignment are included on an invoice, it should be accompanied by the Exchange Control copies of such entries as wholly relate thereto; but in so far as the invoice may relate to part only of goods included in a particular entry or entries, the invoice must be endorsed with particulars of the relevant customs entry.

CHECK OF TRANSACTIONS

The banks in turn transmit all the documents to the Bank of England, where particulars of the currency, the amount and the purpose are extracted for their statistical records. In due course the Bank of England sends the files to the Exchange Control Branch of His Majesty's Customs, whose duty it is to check the whole transaction with a view mainly to detecting possible evasions of the Control by wrongful manipulations of prices or valuation.

While the arrangements outlined are suitable for the majority of import transactions, they are not easily workable in certain trades, particularly where the importer is receiving supplies over a long-term contract and possesses only incomplete knowledge of the shipments which are arriving. In such instances the Exchange Control Branch of the Customs are prepared to enter into a special arrangement which meets the convenience of both parties.

The Exchange Control system is designed to cause the least possible interference with established trade practices, and for this purpose the machinery has been devised to secure the maximum amount of flexibility in administration.

EFFECT ON EXPORTS FROM CANADA

It will be seen that the operation of the United Kingdom Exchange Control has little, if any, direct effect upon Canadian export trade, because no difficulty is experienced by United Kingdom importers in obtaining facilities to pay for goods as long as they are in the category of permitted imports.

The main instrument for conserving the overseas currency resources of the United Kingdom in accordance with the national policy is import restriction. All Canadian exporters should take steps, therefore, to acquaint themselves with the changing conditions of the import licensing regulations, which are regularly announced in the *Commercial Intelligence Journal*. In no circumstances should Canadian exporters make shipments to the United Kingdom of merchandise which is on the list of prohibited imports, unless they are satisfied that the importer has obtained a licence or a definite promise of a licence from the appropriate authority.

PITWOOD IN THE SCOTTISH MARKET

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Glasgow, June 29, 1940.—As is generally known, Empire resources in timber are being largely developed, especially in Canada, the main source of supply, to meet British war needs, because old channels of trade have become almost completely blocked.

The British Government Timber Control, composed of prominent members of the trade, was set up in September, 1939, to assume control of imports, to ensure a continuous supply of timber for wartime requirements and to meet the essential needs of the community, to fix fair prices, and to supervise distribution. Timber produced in the United Kingdom is under the control of the Forestry Commission.

One of the Timber Control's most serious problems is to provide supplies of timber for the mines. As the British output of coal must be not only maintained but increased, at least as much pitwood as before the war, if not more, must be provided. Although Canada in peace-time had never been able to compete with Finland and Russia in supplying pit props, the Dominion has adequate resources of that class of timber. Accordingly, the Timber Control called together all agents interested in importing pitwood, and sent a commission to Canada; as a result, a quantity of pit props was contracted for. In that way and by the stimulation of the domestic production of pit props, it is hoped to fill the gap created by the cutting off of supplies from Northern Europe.

IMPORTS

Upwards of 1,000,000 cubic fathoms of pit props are imported annually by the United Kingdom, of which about 120,000 cubic fathoms are used in Scotland. It is understood that the contracts placed in Canada and Newfoundland by the Timber Control for delivery in 1940 is 350,000 cubic fathoms, most of which is intended for England and Wales. While this quantity is much less than half the annual British consumption, the shortage is made up by the large stocks of Baltic and Finnish props in the country at the outbreak of war, which have only now been taken over by the collieries, and by the increased production of home-grown timber, especially for the Scottish collieries. These stocks of Baltic and Finnish props, augmented by purchases from Canada for 1940 delivery and by domestic production, should carry the collieries well into 1941. As time goes on, however, it seems inevitable that the requirements of props from Canada will be on a larger scale.

These Canadian props are being delivered to the collieries at considerably less than the c.i.f. value. This is being effected by means of a levy on all coal produced in Great Britain, excluding Monmouthshire and South Wales, in order to keep consumer prices of Canadian props down to a level reasonably comparable with the prices of those produced in the United Kingdom.

REQUIREMENTS

The pit props used in Scotland are usually of spruce or fir, mostly the latter, but similar woods would be acceptable. The wood must be of good merchantable quality, straight, and free from large knots and rot; it should also be well barked. Many users prefer wood guaranteed to be of winter felling, and some buyers normally insist on a guarantee to that effect. In all cases it is of the utmost importance that the props be sawn at right angles at both ends. The lengths mostly in demand are: 5 feet, 5½ feet and 6 feet in 2-inch to 5-inch top diameters; 7 feet and 8 feet in 2-inch to 4-inch top diameters; and 9 feet and 10 feet in 2½-inch to 4½-inch top diameters.

The pit-prop business is so organized that all cargoes must arrive at one of the ports on the Firth of Forth. These ports—Leith, Grangemouth and Bo'ness—are of course most convenient to the usual Continental sources of supply. Props are received at these ports in full cargoes. Leith and Grangemouth can handle large cargoes of 1,000 to 1,100 standards, but Bo'ness cannot take cargoes of more than 750 to 800 standards, as there is an insufficient depth of water.

The accepted unit of measurement is the Gothenburg Scale Standard, which is reputed to contain 180 cubic feet. The relationship between a cubic fathom of 216 cubic feet and a standard of 180 cubic feet is 100 fathoms equal 120 standards.

In practice, measurement is based on a scale of top diameters and lengths as follows:—

Top Diameter	Lineal Feet per Standard	Top Diameter	Lineal Feet per Standard
2½ inches	2,540	5 inches	792
3 inches	1,800	5½ inches	648
3½ inches	1,440	6 inches	540
4 inches	1,116	7 inches	396
4½ inches	936	7½ inches	340

In explanation of the foregoing scale, for pit props of a diameter of 3 inches at the top the number of lineal feet required to make up one Gothenburg Scale Standard is 1,800. This means that to make a standard it would take 300 pit props of this diameter, each 6 feet in length.

IMPORTS FROM CANADA INTO HONGKONG IN 1939

P. V. McLANE, CANADIAN TRADE COMMISSIONER

(All values are in United States dollars)

Hongkong, June 12, 1940.—Imports into Hongkong from Canada during 1939 were valued at \$1,210,844 as against \$1,853,100 for the previous year. The following table shows the values of the principal items imported into Hongkong from Canada in 1939 and 1938:—

	1939	1938		1939	1938
Wheat flour	\$281,838	\$509,883	Staves	\$ 7,501	\$ 5,617
Motor cars	195,166	146,427	Motor lorries	7,050	6,180
Rubber tires (motor outer)	131,972	57,856	Canned meat and fish. . .	5,965	9,518
Brass sheets	75,382	28,768	Toys and games	5,924	7,133
American pine	74,801	46,578	Canned vegetables	5,633	3,949
Motor lorries, chassis only	72,228	38,306	Paints, n.o.p.	5,579	6,486
Pig lead	56,457	81,499	Metals, n.o.p.	5,175	23,200
Printing paper	35,035	11,459	Electrical accessories . .	5,140	6,028
Fodder	33,735	30,863	Vermicelli	4,496	5,079
Sulphate of ammonia . .	28,145	168,973	Fish and fishery products	4,094	12,268
Radio and wireless apparatus	27,345	2,035	Upper leather	3,808	5,728
Evaporated milk	24,722	39,703	Machinery, n.o.p.	3,674	1,055
Potatoes	16,416	34,231	Tube fittings	3,377	....
Paperware	15,429	222	Silk goods	3,318	....
Rubber tires (motor inner)	13,820	3,329	Wearing apparel	3,078	5,614
Ginseng	11,854	....	Motor accessories	2,569	3,334
Fresh fish	9,776	16,019	Building materials	2,482	2,845
Miscellaneous foodstuffs .	9,426	6,343	Timber, n.o.p.	2,068	9,549
Sulphur	8,863	13,500	Oatmeal	1,738	1,949
Fruits	8,541	14,221	Cinematograph apparatus	1,737	1,032
Cattle	8,177	16,160	Chemicals and drugs . . .	1,638	2,257
Liquors	7,956	5,924	Hardware	1,601	1,255
Dried milk	7,777	9,560	Canned fruits	1,407	636
Lead, n.o.p.	7,560	4,171	Confectionery	1,356	3,032
			Nickel	1,102	....

NOTES ON PRINCIPAL IMPORTS FROM CANADA

Following are notes on some of the principal Canadian commodities imported into Hongkong.

WHEAT FLOUR

Flour imports into Hongkong in 1939 totalled 1,219,930 piculs (\$2,088,605) as compared with 1,365,013 piculs (\$3,815,316) in 1938.

The United States was the principal supplier with 690,772 piculs (\$1,152,002) as against 349,363 piculs (\$975,680) in 1938; Australia was second in importance, with 221,850 piculs (\$376,800) as against 847,067 piculs (\$2,328,456); North China was next with 159,855 piculs (\$277,420) as against 735 piculs (\$1,290). Canada's share was 147,453 piculs (\$281,838) as against 167,846 piculs (\$509,883) in 1938.

MOTOR CARS

During the year 1939, the total number of motor cars imported into Hongkong was 946 valued at \$672,179 as compared with 757 valued at \$672,198 in the preceding year.

The United Kingdom was the principal supplier with 371 units (\$255,849) as against 367 (\$297,759) in 1938; the United States contributed 251 units (\$186,277) as against 184 (\$171,158). Canada was third in importance with a total of 250 units (\$195,166) as against 137 (\$146,427).

RUBBER TIRES (MOTOR OUTER)

Total importations into Hongkong of rubber tires (motor outer) were valued at \$948,783 in 1939 as against \$661,286 for the previous year.

The United States obtained the bulk of the trade with shipments valued at \$378,021 as compared with \$261,939 for 1938. The United Kingdom contributed \$209,561 as against \$242,164. Canadian imports were valued at \$131,972 as against \$57,855.

BRASS SHEETS

Brass sheets to the value of \$148,120 were imported into Hongkong during 1939, as compared with \$206,065 in 1938.

Canada was the principal supplier with \$75,382 as against \$28,768 for the previous year. North China was second in importance with \$16,075 as against \$51,510, while Germany contributed \$24,762 as against \$120,724.

DOUGLAS FIR

Total imports of Douglas fir into Hongkong during 1939 amounted to 942,870 cubic feet (\$252,554) as against 426,667 cubic feet (\$151,825) in 1938.

The United States was the principal supplier with 670,083 cubic feet (\$177,744) as compared with 292,273 cubic feet (\$105,247) for the previous year. Canada was the only other participant with 272,787 cubic feet (\$74,801) as against 135,394 cubic feet (\$46,578) in 1938.

MOTOR LORRIES (CHASSIS)

There were 3,079 motor lorries chassis (\$1,618,239) imported into Hongkong during 1939 as compared with 3,293 (\$2,408,270) in 1938.

The United States was credited with 2,843 (\$1,456,250) as against 3,023 (\$2,084,760) in 1938. Canada supplied 126 (\$72,228) as against 53 (\$38,304), and the United Kingdom 67 (\$47,683) as against 73 (\$90,384).

PIG LEAD

For the year 1939 imports of pig lead into Hongkong were recorded at 15,905 piculs (\$65,875) as against 39,901 piculs (\$201,239) for 1938.

Canada was the principal supplier with 13,895 piculs (\$56,457) as compared with 38,971 piculs (\$196,280). Australia was the only other supplier of importance with 836 piculs (\$4,284) as against no imports during 1938.

NEWSPRINT

The total value of newsprint imported into Hongkong during 1939 was \$565,880 as against \$1,422,082 in 1938.

Germany was the principal supplier with \$153,105 as against \$409,892 for the previous year. Norway contributed \$52,217 as against \$237,692, Italy \$38,350 as against \$16,989, Canada \$35,035 as against \$11,459, the United States \$31,870 as against \$202,911, and Sweden \$31,256 as against \$70,872.

FODDER

Imports of fodder into Hongkong were valued at \$59,097 for 1939 as compared with \$58,916 for the preceding year.

Canada supplied to a value of \$33,735 as against \$30,863 in 1938. North China was the only other contributor of importance with \$8,570 as against \$600 in the preceding year.

SULPHATE OF AMMONIA

Imports of sulphate of ammonia into Hongkong in 1939 were recorded at 1,104,351 piculs (\$1,867,382) as compared with 1,234,988 piculs (\$2,829,558) in 1938.

Belgium was the principal supplier with 277,250 piculs (\$463,902) as against 33,524 piculs (\$77,163). Imports from the United Kingdom amounted to 235,968 piculs (\$333,516) as against 545,906 piculs (\$1,138,363), and Germany contributed 197,919 piculs (\$327,960) as against 506,876 piculs (\$1,256,730). Canada's share was 15,782 piculs (\$28,145) as against 72,240 piculs (\$168,973).

RADIO AND WIRELESS APPARATUS

Total imports under the heading of radio and wireless apparatus were valued at \$466,280 during 1939 as against \$311,627 for the previous year.

The United States was credited with \$287,391 as compared with \$162,876, the United Kingdom with \$62,979 as against \$370,839, Germany with \$36,192 as compared with \$261,038, and Canada with \$27,345 as compared with \$2,035.

EVAPORATED MILK

Imports of evaporated milk into Hongkong in 1939 amounted to 46,060 cases (\$128,445) as against 71,950 cases (\$231,150) in 1938.

Holland was the principal supplier with 24,325 cases (\$64,233) as against 46,445 cases (\$150,192). The United States was next with 13,379 cases (\$37,638) as compared with 10,335 cases (\$30,014), while Canada was third with 7,715 cases (\$24,222) as against 11,490 cases (\$39,703).

POTATOES

There were 100,822 piculs of potatoes (\$115,897) imported into Hongkong during 1939 as against 75,474 piculs (\$121,045) in 1938.

Following are the values recorded for principal supplying countries during 1939, with comparative figures for 1938 within parentheses: North China, \$85,252 (\$50,261); Canada, \$16,416 (\$34,321); Japan, \$8,325 (\$10,644); United States, \$4,275 (\$22,037).

PAPERWARE

For the year 1939 imports into Hongkong recorded under the above heading were valued at \$775,283 as against \$928,952 for 1938.

The United States was the chief supplier with \$255,810 as against \$272,228. Other participants in order of importance, with figures for 1938 within parentheses, were: China, \$164,582 (\$264,728); Macao, \$93,129 (\$58,819); Japan,

\$57,895 (\$57,444); Germany, \$52,249 (\$92,932); United Kingdom, \$48,400 (\$123,751); France, \$19,704 (\$65,500); Canada, \$15,429 (\$222).

RUBBER TIRES (MOTOR INNER)

Total importations into Hongkong of rubber tires (motor inner) were valued at \$121,634 in 1939 as against \$86,311 for 1938.

The United States was the chief supplier, with \$37,326 as against \$17,526 in 1938. The United Kingdom contributed \$32,512 as against \$44,908, the Netherlands East Indies \$27,292 as against \$3,758, and Canada, \$13,820 as against \$3,329.

GINGSENG

Imports of ginseng into Hongkong during 1939 were valued at \$768,768 as against \$1,027,139 in 1938.

The United States was the principal supplier with \$614,109 as against \$849,996 for 1938. North China was credited with \$123,618 as against \$145,944, while Canada contributed \$11,854 as against no imports in 1938.

TRANSPORT AND COMMUNICATION SERVICES IN AUSTRALIA

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

[One Australian pound (£A1) equals approximately \$3.60 Canadian.]

Sydney, June 18, 1940.—Recent figures issued by the Commonwealth Statistician in respect of Australian transport and communication services for the fiscal year ended June 30, 1939, indicate a steady expansion and an increase in revenue throughout the Commonwealth as compared with previous years.

RAILWAYS

At June 30, 1939, there were 27,998 route miles of railways in Australia open for general traffic. Of this total, 27,234 miles, having a capital cost of £A317,253,832, were government owned.

The gross revenue of all government railways in Australia for the period under review amounted to £A44,779,744; working expenses absorbed £A35,957,863, leaving a net revenue of £A8,821,881. After payment of interest charges of £A11,545,374, exclusive of exchange, a net loss of £A2,723,493 resulted, a marked increase as compared with the deficit of £A427,072 in the previous year. This increased loss, however, is accounted for largely by necessary expansion in workshops, rolling stock and reconditioning of essential routes.

Train miles run during the year which totalled 77·5 millions was the highest ever recorded. Passenger journeys approximately equalled the previous year's figure of 385 millions, although the tonnage of goods and live stock carried decreased from 36 to 33 millions, due to in a large measure to extensive drought conditions in the leading states.

The rolling stock in use by the various government railways now comprises 3,587 locomotives, 8,043 passenger carriages and 86,538 goods wagons and other vehicles.

Railway staff employed as at June 30, 1939, exclusive of construction staffs, numbered 104,429 persons, the average throughout the year being 104,779.

For purposes of comparison with Canadian figures, it may be of interest to note that the operating expenses per average mile worked decreased from £A1,478 in 1929 to £A1,321 in 1939, although the latter represents a slight increase over those of the previous two years. Similarly, the working expenses per train mile run amounted to 9s. 3d. as compared with 10s. 9d. in 1929, and percentage of working expenses on gross revenue increased to 80·30 as compared with 77·64 in 1929.

TRAMWAYS

Electric tramways throughout the Commonwealth have a mileage of 585·37 only, the total having been practically stationary during the past ten years. Investment of capital in tramways amounted at June 30, 1939, to £A26,888,148, of which 414 miles were under state government control and 179 under municipal control. Following modern practice, however, congested areas in municipal districts as well as new residential areas in the capital cities and larger towns are largely served by omnibus routes, which are particularly suitable for the extended mileage necessary in Australia.

MOTOR VEHICLES

The number of motor vehicles in the Commonwealth at June 30, 1939, was 899,533, an increase of 42,705 on the figures for the previous year. Of this total, 562,271 were passenger cars (including taxicabs and hire cars), 258,025 commercial vehicles, and 79,237 motorcycles. The total represented 129·23 vehicles per 1,000 of population. New vehicles registered during the year under review amounted to 83,607, a slight decrease from the previous year when the number was 90,850.

The gross revenue derived from taxes, registrations, licences, etc., was the highest on record at £A7,071,544 as compared with £A6,589,061 for the previous year and £A4,167,034 in 1928-29. This gross revenue was derived as follows: £A6,318,435 from registration and motor tax, £A508,387 from drivers' and riders' licences, and £A244,722 from other sources. It is noteworthy that the total registration of vehicles closely follows density of population, viz., New South Wales, 319,015; Victoria, 261,855; Queensland, 128,163; South Australia, 90,756; Western Australia, 69,679; and Tasmania, 26,360.

AVIATION

At June 30, 1939, the number of registered aircraft in the Commonwealth for commercial and other purposes amounted to 296, and during the year under review civil aircraft covered 14,098,615 miles, the total flying hours amounting to 121,935. A total of 147,919 passengers, 1,734,644 pounds of goods, and 740,375 pounds of mail were carried, a marked increase over the previous year's figures of 12,291,570 miles, 113,647 hours, 158,903 passengers, 1,169,207 pounds of goods and 228,581 pounds of mail. Accidents during the year resulted in 38 persons being killed and 15 injured.

Separate figures are indicated for civil aviation in New Guinea, where remarkable pioneering work has been carried out in the transport of heavy mining machinery and goods for use in the interior similar to the methods adopted in the northern mining areas of Canada.

During the year under review registered civil aircraft in New Guinea, which numbered 47, transported 27,063,192 pounds of goods and 162,608 pounds of mail, the total mileage flown being 1,456,154 miles, and the number of hours flown 15,628. Only one person was injured during this period, which is considered a remarkable achievement in view of the mountainous nature of the territory and the lack of available landing grounds.

Subsidized services throughout the Commonwealth now amount to 22,855 miles and unsubsidized services to 6,048 miles, or a total of 28,903 miles for all regular services.

SHIPPING

During the year under review, 1,876 vessels with a total tonnage of 6,710,999 entered Australian ports direct from overseas as compared with 1,905 vessels of 7,128,404 net tons in 1937-38. The total number and net tonnage of all vessels which entered the various states from overseas or from other states

was 11,479 and 36,687,859 respectively, an increase of 51 vessels and 374,246 tons on the previous year's figures.

The volume of cargo discharged in Australian ports totalled 15,476,333 tons, and 15,182,845 tons were shipped. These figures compare with 15,668,263 tons and 15,728,258 tons respectively for the previous year.

POSTS, TELEGRAPHS, TELEPHONES, AND WIRELESS

Postal services throughout the Commonwealth showed substantial increases in practically all departments, and many of the figures recorded, such as earnings, telephone calls, telegrams despatched and received, money orders issued and paid, and postal notes dealt with, exceeded all previous records. Earnings during 1938-39 amounted to £A17,721,154; working expenses were £A12,352,384, and the net profit, after meeting interest charges of £A1,743,399, was £A3,625,371 as compared with the previous year's profit of £A3,533,476.

Throughout the Commonwealth the number of telephones in use increased to 661,996 as compared to 630,175 in the previous year, while the number of exchanges increased to 6,333 from 6,291.

During the year under review 1,132,624 wireless licences were issued, of which 1,129,786 were ordinary broadcast listeners' licences. The figures for the previous period were 1,058,581 and 1,055,995 respectively. Revenue from this source amounted to £A1,181,347 as compared to £A1,104,512 in 1937-38.

The foregoing information is supplied in the interest of Canadian manufacturers and transportation and communication officials and in view of the many inquiries recently received by the Canadian Trade Commissioners in Australia. Further details may be obtained on application to the Department of Trade and Commerce, quoting file No. 29357.

EXCHANGE CONTROL AND WARTIME TRADE RESTRICTIONS IN NYASALAND

J. H. ENGLISH, CANADIAN TRADE COMMISSIONER

Johannesburg, June 15, 1940.—Prior to the outbreak of hostilities in Europe, no foreign exchange control or other important measures were in operation in Nyasaland. When war appeared inevitable, however, the Protectorate assumed emergency powers enabling wide measures of control to be applied in the event of a crisis. The Emergency Powers (Colonial Defence) Order in Council, 1939, gave all necessary powers to the Governor.

On the outbreak of war the Protectorate Government immediately imposed regulations prohibiting the export from the Protectorate of certain essential materials including metals, ores and foodstuffs except under permit. Regulations similar to those in force in Canada and in most other countries of the British Commonwealth were also issued prohibiting trading with the enemy and restricting imports from certain European countries unless accompanied by a certificate of origin and interest.

Complete foreign exchange control was also introduced in Nyasaland, by which, except under permit, no person other than an authorized dealer was permitted to deal in foreign exchange, including currency, gold securities, negotiable bills of exchange, etc. In this sense "foreign" referred to other than sterling. Foreign exchange control restrictions were also applied, which prohibited trading in foreign currencies (that is currencies other than sterling) or the transfer of Nyasaland currency, etc., outside the Protectorate, except through the medium of an authorized dealer. These restrictions were not applied to any part of the Empire except Canada, Newfoundland, and Hongkong.

Special restrictions were also applied to dealings in Canadian and United States dollars, Belgian belgas, Swiss francs, Holland guilders, Argentine pesos

and Swedish and Norwegian kroner. While strict foreign exchange control is in effect in the Protectorate and the Governor has powers to restrict or prohibit trade, in practice no special obstacles have so far been placed in the way of traders carrying on their legitimate transactions.

Canadian exchange is freely available for payment of sanctioned imports from Canada, and no special difficulty in obtaining import permits has been reported by traders in the Protectorate.

ECONOMIC CONDITIONS IN BRAZIL IN 1939

L. S. GLASS, CANADIAN TRADE COMMISSIONER

[The average value of the conto, which is equal to 1,000 milreis, was \$51 Canadian in 1939 and \$56.76 in 1938.]

Rio de Janeiro, June 20, 1940.—The unstable situation in Europe immediately preceding and after the Munich agreement had an important effect on Brazilian business conditions and was as probably responsible to no small extent for the fact that the adverse trade balances of the last two months of 1938 were continued during the first four months of 1939. The two outstanding factors affecting the situation in Brazil in 1939 were undoubtedly the reversion to free exchange and the outbreak of hostilities in Europe, both of which gave added impetus to Brazilian business and had a decisive effect in bringing about the recovery shown during the last eight months of 1939, although December showed an unfavourable balance.

EXTERNAL TRADE

Export values increased from a total of \$295,558,000 in 1938 to \$305,394,000 in 1939 as against a decrease in import values from \$295,388,000 to \$261,012,000 which, despite the unfavourable balance of trade of over \$2,000,000 during the first four months of the year and an unfavourable balance of nearly \$6,000,000 in December, enabled a favourable visible balance of \$44,382,000 to be realized for the whole year's trading.

The adverse balance recorded in December may or may not be significant of further adverse balances in 1940, but it seems more than likely that during the last half of the year, particularly the last four months, Brazilian purchases were delayed through the disruption of sources of supply and the general uncertainty of money markets, whereas in December heavier imports were the result of necessary buying.

FEDERAL FINANCES

Complete detailed figures are not yet available relating to the budgetary results for 1939, but from certain figures it would appear that, although the surplus of 5,469 contos estimated in the 1939 budget, will not be reached, it is reasonably certain that the deficit will not be as great as for 1938 when the Central Auditing Department showed a deficit of 855,665 contos.

Customs returns which for 1939 were estimated to yield 1,330,000 contos have actually yielded 1,380,632 contos. Consumption taxes which were estimated to yield slightly over 1,000,000 contos have fallen short and yielded 841,544 contos. Stamp taxes, estimated at 277,950 contos, brought in 222,836 contos, while the income tax, estimated at 332,500 contos, has yielded 234,137 contos. Thus the taxes which were budgeted to yield over 69 per cent of the total income have fallen short of the estimated figure by about 302,000 contos or slightly over 10 per cent. On this basis Brazil should probably anticipate a deficit of approximately 400,000 contos, providing there were no extra-budgetary expenditures.

The budget for 1940 estimates an increased expenditure amounting to 356,342 contos over the 1939 figure. With the exception of the Ministry of Finance,

each department of the Government has been allowed an increase in its budgeted expenditures for the coming year. The greatest increase is in those of the Ministry of Transport and Public Works, which is so closely allied to the five-year plan for the rehabilitation of public works, etc. The total budgeted expenses for this department amount to 1,091,304 contos. The Ministry of Labour and Commerce has been granted an increase of 58,000 contos to a total of 170,411 contos, the Ministry of Justice and Interior 56,000 contos to 204,280 contos, the Ministry of War 47,000 contos to 807,674 contos, and the Ministry of Marine an increase of 33,000 contos to 330,743 contos. Income is estimated at 4,209,414 contos, thus allowing for a deficit of 212,425 contos as against an estimated surplus for 1939 of 5,469 contos.

It is possible that the closer control over budgetary and extra-budgetary expenditures, which was instituted in 1939, will result in a closer approximation in 1940 to the estimated expenditures than has been the case in the past.

CURRENCY CIRCULATION

Paper currency circulation again showed an increase in 1939 of 147,644 contos to a total of 4,809,505 contos.

EXTERNAL DEBT

For some time past a commission has been studying the means whereby Brazil might resume the servicing of the external debt. Although nothing was decided by the close of the year, early in 1940 payments were resumed on a basis similar to the "Aranha" scheme of 1934.

Brazil's external debt stands at £255,785,330 sterling. This is made up of £154,401,458 sterling in federal bonds, £77,135,973 in state bonds, and the remaining £24,249,899 in municipal bonds.

STOCK EXCHANGE

The year 1939 showed a further increase in stock exchange movement, as regards both government bonds and commercial securities. The index, on the basis of 1929, shows an increase in value of all securities marketed from 197 to 213 in 1939. That for industrial securities increased from 83 to 110 and government securities from 248 to 259.

There was less activity in federal government bonds, in fact a further decrease was recorded, as in 1939 the index was 139 as compared with 143 in 1938 and 154 in 1937 and 151 in 1936. On the other hand the value of state bonds negotiated increased from 863 to 910. The index for 1936 was the highest during the eleven years and stood at 1,009. Municipal bonds increased also from 258 to 331.

BANKING MOVEMENT

During 1939 banking activities showed a general increase over 1938, although there was a slight falling-off in the acceleration which has become apparent during the past three years. Deposits as of December 31 showed an increase of 857,952 contos, or 7.3 per cent, as compared with the end of the year 1938. The Bank of Brazil, however, held on deposit a sum that was less by 120,000 contos than in 1938, which indicates a greater increase for other banks. Loans increased by 13.4 per cent or 1,339,000 contos, and in this connection it is of interest to note that loans by the Bank of Brazil to public services were reduced by some 55,000 contos, which means that loans to private concerns for the development of industrial activities were increased by this amount. Capital and reserves likewise increased. Bank clearings in cheques, although showing an increase of 11 per cent in quantity and 4 per cent in value, did not increase by nearly the same amount as has been the case since 1934. Over two million cheques to the value of 34,000,000 contos were cleared in 1939.

COFFEE

Although Brazil is rapidly increasing the diversification of products for export, coffee continues to be the greatest single item. In 1933 over 73 per cent of the value of Brazilian exports was represented by coffee. Since 1933, however, particularly because of the increased cotton exports, there has been a steady decrease in the relative importance of coffee exports, and in 1939 only 39·9 per cent of total exports were accounted for by this product. The average for the nine years ending 1939 was 65·7 per cent. Thus, coffee continues to be of outstanding importance to Brazil's economic welfare.

During 1938, subsequent to the introduction of the new coffee regime when Brazil relinquished the task of maintaining world prices, there occurred a marked increase in the quantity of coffee exported and in the milreis value, although returns in foreign exchange decreased. In 1939, however, the acceleration diminished considerably as compared with the previous year and, with the exception of a temporary rally in May, coffee exports declined until September, when a sudden spurt brought the volume in October to a record figure since 1915.

Three factors may be cited as influencing the market depression in 1939. First, the unsettled European situation placed buyers in some countries in a position where they dared not or could not buy, and sellers were uncertain of receiving payment from countries which might at any moment be plunged into war. Secondly, during 1938 total world deliveries of coffee were high, with the result that overseas markets were well stocked; total world consumption is placed at 26 to 27 million bags, whereas world production was estimated at 37 million bags. Thirdly, owing to adverse climatic conditions, the Santos type coffees were of very poor quality and could not command a good price nor an active demand. During the year over 3,000,000 bags of coffee were destroyed in Brazil.

Undoubtedly, the revival in the coffee trade, which occurred during the last months of the year and which enabled Brazil to bring the total exported for the calendar year to just under 16,500,000 bags at a value of £14,892,000 gold, was a direct result of the outbreak of war in Europe.

The adverse factors which affects exports of Brazilian coffee would seem to be more decisive than factors which may assist Brazil. Many of Brazil's most lucrative markets have been lost as a result of the European war. The German market formerly absorbed over 1,500,000 bags; Denmark 350,000; Holland 763,000; Norway 54,000; Poland 38,000; Czecho-Slovakia 95,000; Belgium 380,000. The consumption of coffee is rather inclined to decrease during times of depression or crises in any given country rather than increase during times of prosperity. Most of Brazil's more important markets, with the exception of the United States, are passing through critical times, and it is improbable that any increases which may take place in purchases by those countries still in a position to import from Brazil will be sufficient to make up for losses which are apparently irrevocable. There must also be considered the effect on the market of the productions during the coming year of other countries.

As was indicated above, favourable factors are dependent on variable circumstances. The effect of the new coffee policy in Brazil should be beneficial. It is tending to encourage the production of "fine" coffees and the improvement of types rather than, as has been the case heretofore, concentration on volume production. As a result many of the marginal producers are allowing their poor plantations to die out or be abandoned. If better quality can be produced, Brazilian coffees will command higher prices, but this is not a sudden development; some time must elapse before the benefits can be reaped.

The coffee crop for the current season is estimated to be about equal to the last, but better quality will probably bring higher prices, providing other producing countries do not have more than average crops.

COTTON

Since 1934 cotton has been occupying a more important position in the economy of Brazil. For the past one hundred years this country has been a small exporter of cotton, but in 1934 there was a sharp increase in exports. From that year onward the increase has continued until in 1939 223,500 tons of cotton were exported, representing nearly double the total exports during any previous ten years. Cotton export values have increased from the comparatively unimportant one per cent of the total exports in 1933 to approximately 50 per cent of the value of coffee exports or 20 per cent of the total Brazilian exports in 1939. The growth of the cotton trade has been due entirely to the increased activity in the State of São Paulo since 1934, as shipments from the northern States have in most cases decreased during the past few years. São Paulo cottons are undoubtedly of finer staple, and the better prices which they have commanded on the world markets have been a deciding factor in the expansion of productions.

In 1937 São Paulo shipped 130,000 tons of a total of 184,000 tons. In 1938 shipments totalled 164,000 tons of a total of 209,000 tons, while in 1939 they amounted to 245,000 tons of a total of 295,000 tons. During 1939 a total of 83 per cent of all cotton exports were made from the State of São Paulo.

Prices for the first four months of 1939 showed a tendency to fall off, probably due to the unsettled European situation. Better prices were obtained during June and July, but there was a decline again in August. On the outbreak of war, however, a sharp rise occurred, and by the end of December an increase of over 60 per cent was recorded in cotton prices. Cotton, like coffee, has suffered a loss of European markets, particularly Germany which in 1939, prior to the declaration of war, took over 65,000 tons. It is anticipated that the São Paulo crop for 1939-40 will be at least equivalent to the 1938-39 crop of some 280,000 tons, particularly in view of the fact that the high prices which ruled towards the end of the last crop year encouraged planters to continue production.

Germany, Poland, Holland, and Belgium together absorbed 88,000 tons in 1939. China and Japan purchased 125,000 tons, but it is anticipated that in 1940 sales to these latter two countries will possibly be somewhat less, perhaps between 90,000 and 100,000 tons. In other words Brazil will have to find a market for something over 100,000 tons, and it is problematical whether the available markets will be able to absorb so much. European conditions, however, as well as the growth of the cotton business in Brazil, have tended to bring about an increased domestic consumption, and there is a growing demand in other South American markets for Brazilian cotton piece-goods. Therefore a greatly increased home consumption will absorb at least part of the expected surplus, and increased demands from the allied countries may also have a beneficial effect.

EXCHANGE

There was an undoubted improvement in Brazil's exchange situation during 1939 as compared with the previous year when one of the lowest favourable trade balances in the history of the country, less than \$170,000 according to official statistics, was experienced. The visible favourable balance for 1939 was \$44,382,000, which compares very favourably with the average of past years.

On April 8, despite the continued unfavourable trade balances, a move was made to free exchange following the conclusion of a new trade and financial agreement with the United States. By this agreement the United States created credits to enable Brazil to liquidate all ordinary commercial arrears owing to American exporters, which amounted to some \$19,000,000. A further long-term credit, amounting to some \$50,000,000, was extended to enable Brazil to purchase railway rolling stock and other goods to be used in carrying out the Govern-

ment's five-year plan for the extension and rehabilitation of Brazilian transport facilities and other works of national importance.

The principle of free exchange was extended only to payments for imported goods. Strict control continued over private remittances and those for the account of interest or dividends, while 30 per cent of exchange arising from exports was still required to be delivered to the Bank of Brazil at official rates. Furthermore all purchases and sales of exchange had to be reported to the Bank of Brazil, and only sales authorized by the bank were permitted. Rates were also controlled by the bank, thus avoiding fluctuations brought about by changes in the relationship between supply and demand, or caused by rumours. In setting the rates an effort was made to encourage exports and to discourage over-heavy imports. Thus the buying rate was set at about 10 per cent below the rates of 1937, giving the exporters more milreis for their foreign exchange. On all transactions involving remittances of exchange abroad there was levied a tax of 5 per cent. In the case of payments for imports this tax was on the c.i.f. value, which tended to reduce imports.

By the end of the year all arrears of exchange cover for current imports which had accumulated between November, 1937, and April, 1939, had been wiped out. The only arrears outstanding were for the account of the large utility, oil, motion picture, and flour companies and such like. In the case of these firms daily quotas of £1,000 were granted in addition to the normal quota of £2,000.

The declaration of war in Europe affected the Brazilian situation considerably in that exports, at least temporarily, increased, and imports, owing to the disruption of the sources of supply, fell off. As the war progressed importers were able to adjust themselves to new sources of supply, but exporters were in the position of having some of their European markets cut off entirely and sales of certain Brazilian commodities to other countries reduced through being classified as luxury articles. Thus at the close of the year it is most difficult to forecast what trend the exchange situation will take, as it depends so much on the ability of Brazil to find additional outlets to absorb exports which heretofore had been taken by countries now belligerent or blockaded. In view of these conditions an examination of the situation appears desirable.

Official figures in 1938 indicated a favourable balance for that year of just under \$170,000. As stated in a report on "Economic Conditions in Brazil in 1938", published in *Commercial Intelligence Journal* No. 1857 (September 2, 1939), after due allowance had been made for modifying factors, it was estimated that Brazil's total receipts of foreign exchange during 1938 were \$309,558,000 and total disbursements to the account of imported goods \$234,334,000, giving a favourable balance of \$75,224,000. According to figures of the Bank of Brazil, other disbursements required \$55,782,000, leaving Brazil an apparent total of \$19,442,000 in hand. At the end of 1938 the bank was in arrears for a period of one hundred days, approximately three months, on the supply of exchange for imported goods, that is to say, payments had not yet been made in foreign exchange. Since the value of the imports actually cleared through the customs during the last three months of 1938 was \$73,523,000, it may be assumed that the exchange necessary to satisfy these requirements had to be found during 1939. In other words it would appear that Brazil had an actual deficit of \$54,000,000 on January 1, 1939.

Total imports in 1939 were valued at \$261,000,000, of which Germany supplied 19·37 per cent or \$50,558,000. As in the past, this figure should probably be corrected for over-valuation, as German exports to Brazil are probably valued for statistical purposes in reichmarks, whereas their actual value should be in compensation marks, about 20 per cent less, bringing total imports from Germany to \$40,500,000. Brazil's total exports were valued at \$305,394,000, of which 12 per cent only went to Germany. There is a possibility of undervaluation in Brazilian exports by perhaps 8 per cent, which would increase the value of Brazilian exports to \$331,765,000, of which \$39,812,000 went to Germany.

If the figures representing imports from and exports to Germany are deducted from the totals of Brazilian trade, inasmuch as this trade is carried on in blocked currencies, the true picture of Brazil's international trade is as follows: Imports payable in currencies of international exchange would be valued at \$224,230,000 and exports at \$290,953,000, leaving Brazil an actual favourable balance in currency of international exchange of \$67,723,000. To this might be added a further \$20,000,000 accruing to Brazil from new capital invested, sale of gold, tourist spendings, and miscellaneous such as returns from Brazilian ships and foreign missions, bringing the total available foreign exchange for all purposes other than the payment of goods actually imported during 1939 to approximately \$87,000,000. If from this sum is deducted the debit balance remaining for ordinary commercial accounts for 1938, the available exchange for all purposes would be approximately \$33,000,000.

It may be assumed that other disbursements would not be less than those reported by the Bank of Brazil for 1938. Therefore the actual exchange balance at the end of the year would represent a real deficit of about \$22,000,000 to be carried forward into 1940.

Germany, Austria, Poland and Czecho-Slovakia absorbed 12.69 per cent of all Brazilian exports in 1939 (20.29 per cent in 1938), but on the outbreak of war they ceased to be, to all intents and purposes, markets for Brazilian goods. Therefore, unless increased purchases are made by other countries, Brazil will have to face a decrease in export values of approximately \$38,000,000. The fact that these same countries supplied Brazil with 20 per cent of her imports has little bearing on the question, since Brazil may without difficulty and comparatively little loss of time find new sources of supply. In this respect it is significant to note that during the last two months of 1939 Brazil had an unfavourable balance of trade with the United States, where customarily it has enjoyed a heavy favourable trade balance. In November and December, 1939, exports decreased whereas imports increased, and in the month of December an adverse trade balance of \$5,500,000 was recorded.

SUMMARY

Generally speaking internal business conditions in Brazil, despite the disruptive influence of war conditions, are fairly good. At the beginning of the war, prices generally tended to rise and in some cases to extreme levels, not only for imported commodities but also for those made in Brazil by Brazilian labour out of Brazilian raw materials. Steps were immediately taken by the Government to curb profiteering and, although a recession in prices did take place, they still remained at a high level. That prices for imported goods should increase is natural under prevailing conditions, but the danger lies in the fact that every increase in the price of imported goods means an increase in the amount of exchange required to pay for those goods. In many instances a decrease in the volume imported will undoubtedly occur, but it is difficult to estimate whether this will offset the increases which have taken place and are taking place in the cost of essential raw materials such as pulp and paper, metals, etc. Thus the question again arises concerning Brazil's supply of foreign exchange, and from the estimates shown previously the immediate prospects are not bright. It is advisable that Canadian exporters maintain their outstanding accounts in Brazil at as low a figure as possible and that they be prepared for the possibility of meeting delays in the supply of cover during 1940.

It is considered possible that steps will be taken by the Government to maintain a balance between the supply of and demand for exchange. It is the earnest desire of the Government to maintain free exchange for imports and to prevent the creation of frozen accounts. This balance can be maintained only by increasing the value of exports, which under present conditions does not seem to hold much promise, or to reduce imports. This may be accomplished in

three ways: (1) by increasing customs duties, and in this respect a decree has already been signed authorizing the compilation of a new tariff of duties; (2) by licensing imports; and (3) by the imposition of quotas, either exchange or commodity. With the exception of the new customs tariff, no official indication has been given that any definite move is immediately anticipated, and the purpose of the new customs tariff is to permit the inclusion of a third column of rates applicable to countries with which Brazil has signed or may sign special agreements. However, it is quite possible that one or more of these controls may be introduced during the coming year, unless there is a definite improvement in the exchange situation in the meantime.

ARGENTINE LUMBER MARKET

J. C. DEPOCAS, ASSISTANT TRADE COMMISSIONER

Buenos Aires, July 11, 1940.—The forest resources of Argentina are not large, and domestic production is restricted to a number of hardwoods. The most important of these is quebracho, recognized as the hardest wood in the world. It is used locally for railway sleepers, piles, posts, paving blocks, and firewood. From this tree is obtained a soluble tannin that is used in the leather trade and is in great demand in all the world markets. The wood itself is exported in the log, shipments during the past four years totalling 60,308 metric tons (of 2,204 pounds) in 1936, 87,972 tons in 1937, 87,241 tons in 1938, and 74,948 tons in 1939. Chief among purchasing countries were Italy, the United States, France, and Germany. Quebracho is undoubtedly the leading commercial wood of Argentina, and large reserves are available.

Other native woods are algarroba; this is used in the door-sash industry, but available quantities are small. Exports totalled 48 and 59 tons during 1937 and 1938 respectively. There are also the vivaro, not so hard as the other two but more expensive, and the curupay and lupacho, which are used in heavy construction work and as fence posts.

There are practically no softwood reserves of commercial value in Argentina, those available consisting of small stands which are widely scattered, difficult of access and distant from the consuming markets. Consequently, owing to high operating cost and freight, domestic softwood production cannot meet the competition offered by foreign countries.

The domestic saw-mill industry is also small, and softwoods are imported in scantling, plank and board sizes. Plywoods and veneers are also imported.

IMPORTS

Annual imports of softwoods into Argentina in the years 1936 to 1939 inclusive, by varieties and countries of origin, are shown in the following table:—

Argentine Imports of Softwoods

	1936	1937	1938	1939
		Thousand	Ft. B.M.	
Totals	221,713	300,516	259,413	299,523
North America—				
Pacific Coast:				
Douglas fir	24,590	35,031	27,847	37,071
Idaho pine	1,064	1,988	1,682	2,698
Sitka spruce	196	141	176	72
Pacific hemlock . . . . .	....	110	149	....
Californian redwood	35	20	....	38
Gulf Ports:				
Pitch pine	69,000	89,147	70,127	65,800
Canadian white pine	126	14	10	15
South America—				
Brazilian pine	94,400	121,343	106,574	143,872
Europe—				
European spruce	31,200	51,462	51,280	48,481
Others	1,102	1,260	1,568	1,476

During the first three months of 1940 imports from Pacific ports in North America were as follows: Douglas fir, 11,594 M feet board measure; Idaho pine, 297 M feet; Sitka spruce, 21 M feet. An additional 12,282 M feet was imported from the gulf ports. Imports from South America in the same period totalled 22,432 M feet.

Brazil is by a wide margin the leading country of supply, being credited with almost 50 per cent of the total imports into Argentina in 1939. This is due in part to the shorter distance to be covered in transporting supplies and therefore quicker delivery, and in part to a preferred tariff and exchange restrictions which result in a marked advantage in favour of Brazilian shippers. Brazilian lumber is of good appearance, is free of knots and is adapted to many uses. It is widely used for shelving and partitions in offices and in low-priced houses. The demand for it on this market is sure to increase owing to the cessation of supplies from European countries and the effect of an increased volume of North American goods on the exchange situation in Argentina.

Brazilian pine is the only wood imported from South America, and Chile is the only other country sharing this business, although only to a small extent, with Brazil.

From North America Argentina buys fair quantities of pitch pine from the Gulf ports and of Douglas fir from the Pacific coast, also small lots of Idaho pine, Sitka spruce, Pacific hemlock and California redwood. Pitch pine is used for flooring, ceilings and partitions, but especially for flooring, to the extent of 50 per cent of the imports. It comes in sizes of 1 inch by 3 inches; 1 by 6, etc., and in scantling and small beam sizes which are used for scaffolding and other temporary construction work.

Douglas fir imports are small as compared with those of Brazilian and pitch pine. It comes in the following sizes: 2 inches by 3 inches, 3 by 3, 3 by 4, 3 by 9, 4 by 6 and 4 by 9. From 25 to 50 per cent, varying from year to year, is unloaded at Rosario and Villa Constitucion. Rosario is the main Argentine wheat-shipping port, and some of this wood is used for bulkheads in the wheat-carrying ships. Villa Constitucion is the site of the Central Argentine Railway shops.

EUROPEAN SPRUCE

The number of European countries supplying lumber to Argentina is gradually being reduced. First Russia, which enjoyed a good share of the market, fell off on account of exchange difficulties. Recently Poland and Austria disappeared from the market for obvious reasons, leaving Yugoslavia practically alone, with the possibility that imports from that country may also cease. There are no special uses for this type of softwood except for making concrete forms, but it can withstand competition from United States supplies on account of its price.

Imports into Argentina of four varieties of soft lumber represented 99 per cent of the total imports of softwoods in 1939. With the possible disappearance of Yugoslavia from this market, and assuming that imports into Argentina at best will remain at the level of past years or continue to follow the trend of the last four-year period, Yugoslavia's share of the trade will probably be diverted to North America and Brazil.

FACTORS AFFECTING IMPORTS

There is a possibility, however, that the demand for lumber in Argentina may decrease, as building construction is showing much less activity than in past years, and lumber is being replaced by metal and other materials.

Even in one-storey buildings the structure is of reinforced concrete, exterior and interior walls being of brick covered or not with some plastic material. Lumber for form work is used more than once, and for scaffolding, floor supports,

etc. as often as possible. Window and door frames are now of steel, and wall-board is used for partitions. Wood is seldom used in modern buildings except for floors.

But the most important factor is the obligation forced upon Argentina by events in Europe of restricting imports and selecting sources of supply in a great many cases. All European markets except the United Kingdom, Spain, and Portugal are now closed, and in 1939 these accounted for 11.7 per cent of Argentina's exports of meats, 43.4 per cent of hides, 43.1 per cent of wool, and 48.1 per cent of grains (including linseed). On the other hand she cannot obtain from these countries a considerable number of necessities but must now buy them from North America at higher prices without the advantage of increasing her exports in the same proportion. Hence the obligation to closely control her imports as regards both quantity and origin.

CANADA'S POSITION IN THE MARKET

Argentina is obliged to obtain from Canada her entire supply of newsprint, and the bulk, if not all, of her purchases of asbestos fibre and seed potatoes if these are required. This will leave a trade balance in favour of Canada, as Argentina's yearly purchases of newsprint usually exceed in value her total exports to Canada. Under these circumstances, she may be forced to limit her purchases from Canada to those commodities which she cannot obtain at all or, under better conditions, elsewhere. The tendency is first to buy more Brazilian pine and then other lumber from the United States and Canada, depending on prices.

Despite all these difficulties, importers are still interested in Canadian soft-woods, and inquiries are received by the Trade Commissioner's office from time to time. Particulars of a recent inquiry may be obtained by interested Canadian firms on application to the Department of Trade and Commerce, Ottawa.

LUMBER MARKET CONDITIONS IN JAPAN

C. M. CROFT, COMMERCIAL SECRETARY

Tokyo, May 29, 1940.—Since the outbreak of war with China in July, 1937, Japan has instituted various measures to control the export and import trade. Due to the promulgation and strict enforcement of exchange control and trade control laws, practically all imports, except essential raw materials for the munition and other key industries, have been prohibited or curtailed to a marked degree. Exchange permits to purchase goods abroad have been strictly controlled by the authorities and importers of various commodities found it desirable to form associations as permits were not readily available to individual importers.

PURCHASES FROM NORTH AMERICA

One of these associations was organized by the importers of Canadian and United States lumber. It is called the American Lumber Importers Association and consists of some 63 importers from all parts of Japan. The main function of the Association was naturally to make recommendations to the Government authorities concerning the issuance of exchange permits to purchase North American lumber* and to have the permits issued to the members of the Association. Applications for exchange permits were to be made through the Association by the individual importers; all such exchange permits to purchase lumber were to be granted to the different members of the Association according to their import records for the preceding three years.

*The words "American lumber" in this report apply to Canadian and United States lumber.—Ed.

The American Lumber Importers Association functioned under this system for a time. As the Government authorities wished to unify the importation of Canadian and United States lumber, however, they suggested a reorganization of the Association and in December, 1938, a buying centre or pool was set up to purchase all North American lumber. This pool consisted of four firms, namely Mitsui & Company, Mitsubishi Trading Co., Yamacho & Company and S. Tamura & Company. It is apparent that this pool was established due to the fact that these four firms have branch offices in the larger lumber-producing districts of Canada and the United States. All exchange permits for the purchase of Canadian and United States lumber were allotted to them and they in turn purchased the requirements of the members of the Association.

Before the reorganization of the Importers Association, North American lumber for military and official purposes had been handled mostly by Mitsui & Company and Mitsubishi Trading Company. The Importers Association, on the other hand, had been taking care of other requirements; but as imports of American lumber have virtually been limited to military and official purposes, it was the Government's wish that other members of the Association should secure their share of the trade.

The setting up of a buying centre or pool was opposed by some of the larger importers with larger import records and who have long-established connections with overseas sellers. They contended that, although they have no branch offices in the lumber-producing districts, their facilities for purchasing lumber were as good as those of the designated firms in the pool. However, the Government authorities disregarded their claims and vested authority to purchase North American lumber in the pool. The pool represented the Importers Association and all letters of credit were opened by the pool and purchases were made by its members.

Since March of this year this system has been revised. All exchange permits are now granted to the Importers Association, which in turn opens letters of credit in favour of the branch offices of the pool in Canada and the United States. There is little difference from the previous system, except that the pool is now really a buying agent, taking care of shipping, deliveries, etc.

PRODUCTION

Official statistics covering the production of wood (excluding wood to be used as fuel or for the manufacture of charcoal) during 1938 in Japan Proper have just been issued. These statistics show a production of 893,458,000 cubic feet, valued at 279,358,000 yen, an increase of 12.5 per cent in quantity and 47.7 per cent in value as compared with the 1937 output, and an increase of 23.8 per cent in volume and of 104 per cent in value as against that of 1936.

The following table sets forth the quantities in cubic feet and value in thousands of yen of wood production in Japan Proper from 1934 to 1938 inclusive:—

Wood Production in Japan, 1934 to 1938

	Coniferous		Broad-leaved		Total	
	Cu. Ft.	Yen	Cu. Ft.	Yen	Cu. Ft.	Yen
	1,000	1,000	1,000	1,000	1,000	1,000
1934.	535,662	96,694	108,059	16,055	643,721	112,749
1935.	547,548	98,923	108,957	14,945	656,505	113,868
1936.	598,644	117,793	122,734	19,139	721,378	136,932
1937.	670,685	165,036	123,584	24,052	794,269	189,088
1938.	765,437	246,242	128,021	33,116	893,458	279,358

It will be seen from this table that the output of coniferous and broad-leaved wood alike has been increasing steadily. The expansion in 1938 was particularly marked, largely due to the trade control measures. The production

of coniferous wood in 1938 was 14.1 per cent in quantity and 49.2 per cent in value above that in 1937; while a comparison of the 1938 figures with those for 1936 shows an increase of 27.9 per cent in volume and 109 per cent in value.

BUILDING

Building, except of industrial factories and official undertakings, is practically at a standstill in Japan. Construction of new residences and repairing of old buildings and homes is restricted to a very great degree. No foreign lumber is used for local building except as authorized by the Government. New residences are restricted to not more than 1,080 sq. ft. of floor space.

SHIPBUILDING

At the end of 1938 there were 183 vessels under construction with a gross tonnage of 384,089. During 1938 keels were laid down for 354 vessels with a gross tonnage of 489,469; 321 vessels were launched with a gross tonnage of 469,176 and 313 vessels of 454,030 gross tons were fitted out.

In the first six months of 1939 keels were laid down for 274 vessels with gross tonnage of 215,338; 178 vessels were launched, gross tonnage amounting to 173,479; and 166 vessels, with a gross tonnage of 207,713, were fitted out. Obviously these vessels require a certain quantity of lumber.

STOCKS

No figures of stocks of American lumber are available for 1938 and 1939. The Japan Lumber Research Association formerly supplied figures of stocks but since 1937 no figures have been published.

PRICES

Prices of lumber, both domestic and foreign, have advanced considerably during the last two years. The following index numbers (1931 average equals 100) give an idea of the price increase in building materials: 1937, 174.5; 1938, 193.5; January, 1939, 204.4; March, 1939, 208.3; June, 1939, 206.7; September, 1939, 222.2; December, 1939, 223.2.

It will be noted that prices for building materials have advanced steadily. As regards lumber it can be safely said that the average price increased about twofold above that ruling before the China incident in July, 1937.

Freight rates have also increased greatly, adding to the cost. Domestic lumber prices also increased as a result of the shortage of imported lumber.

Freight rates for February last loading were in the neighbourhood of \$18 for squares, \$19 for flitches, and \$23.50 for logs. Now the shipowners are asking \$22 for squares, \$23 for flitches, and \$25.50 for logs; but in comparison with the rates for shipment to China they are still considered to be low. The increase in freight rates is presumably due to the scarcity of bottoms, which has curtailed shipments of lumber to Japan somewhat; but there is apparently no difficulty in getting space for shipments for military and official purposes.

IMPORTS

The following table shows the values of imports of wood into Japan in 1939, 1938 and 1937:—

Imports of Wood into Japan, 1937-39

	1939 Yen	1938 Yen	1937 Yen
Total	32,325,679	28,178,070	64,817,407
Ebony wood with white streaks	126,154	197,549	379,681
Other ebony wood	38,585	49,338	435,055
Teak	1,067,536	1,405,334	2,851,697
Cedar for pencils	138,755	140,666	362,815

	1939	1938	1937
	Yen	Yen	Yen
Other cedar, pine, fir, hemlock, and spruce:			
Not exceeding 60 mm. in thickness.....	1,541	43,765	238,797
Not exceeding 200 mm. in thickness.....	1,299,395	1,543,587	2,445,604
Exceeding 200 mm. in thickness.....	4,085,491	3,956,209	19,738,715
Logs and cants	8,282,874	7,496,861	18,854,273
Kiri	592,672	288,995	821,089
Aspen	718,371	607,848	727,359
Other wood	15,974,305	12,447,918	17,962,322

The leading suppliers of wood to Japan in the past three years were as follows:—

Leading Suppliers of Wood to Japan, 1937-39

	1939	1938	1937
	Yen	Yen	Yen
Philippine Islands	10,365,596	6,695,361	11,260,029
United States	9,448,465	9,769,836	30,076,606
Canada	5,170,636	3,802,894	11,517,042
British Borneo	2,159,350	1,979,548	3,197,515
Netherlands India	1,793,323	2,281,514	2,477,181
Siam	1,083,078	1,236,142	3,102,054
Manchuria	783,416	1,293,517	659,737
China	597,831	289,147	325,668

The total quantity of lumber imported for commercial purposes into Japan from Canada and the United States in 1939 was 58,895,646 ft. b.m. as compared with 68,361,442 ft. b.m. in 1938. The imports over a period of years show a considerable drop. The quantity imported in 1928 was 1,334,722,911 ft. Imports fell sharply in the next four years. From 1932 to 1935 the average annual imports totalled about 480 million feet. There was some expansion in 1936 when the imports were over 540 million feet but in 1937 they declined to 395 million feet.

Most of the imported lumber enters through Osaka and Yokohama, the figures for 1939 showing that 52.4 per cent of the total entered through Osaka, 35.5 per cent through Yokohama and 11.9 per cent through Nagoya.

The imports of lumber from Canada and the United States may be regarded as wholly coniferous, whereas the purchases from such tropical countries as the Philippine Islands, British Borneo, Netherlands India, and Thailand consist of lumber from broad-leaved trees. A review of the statistics of imports as given above shows that the value of purchases from Canada and the United States in 1939 was 7.7 per cent above that for 1938 but 64.8 per cent below the 1937 level. The value of the imports from the four tropical countries mentioned showed an increase of 26.3 per cent in 1939 as compared with 1938 but a decrease of 23.1 per cent as against 1937.

From these facts it may be deduced that the exchange control regulations have been applied less severely against the tropical woods than against coniferous. Several reasons may be given for this, one being that Japan has herself produced larger quantities of coniferous wood. Japan also exports large quantities of plywoods made from tropical woods and the policy has been to permit importation of materials to be used in the production of goods for export.

IMPORTS FROM CANADA AND THE UNITED STATES

The following statistics set forth the imports of coniferous lumber from Canada and the United States during each of the three years 1937, 1938 and 1939:—

	1937		1938		1939	
	Cubic Metres	1,000 Yen	Cubic Metres	1,000 Yen	Cubic Metres	1,000 Yen
Logs and Cants of Port Orford Cedar—						
Total	14,908	1,082	4,999	437	6,650	584
Canada	1,536	54	40	1	.....	.....
United States	13,372	1,028	4,959	436	6,650	584
Logs and Cants of Red Cedar—						
Total	31,576	1,314	7,984	275	2,275	126
Canada	10,631	333	5,796	177	2	.....
United States	20,882	978	2,188	98	2,273	126

Imports from Canada and the United States—Con.

	1937		1938		1939	
	Cubic Metres	1,000 Yen	Cubic Metres	1,000 Yen	Cubic Metres	1,000 Yen
Logs and Cants of Hemlock—						
Total	118,417	4,140	77,701	2,660	114,633	4,163
Canada	51,722	1,567	71,117	2,387	108,609	3,890
United States	66,695	2,573	6,584	273	6,024	273
*Logs and Cants of Spruce, White Pine, etc.—						
Total	86,661	2,789	28,299	945	42,550	1,592
Canada	14,136	563	7,993	276	15,258	506
United States	27,403	1,184	14,131	558	27,099	1,083
Baby Squares and Flitches of Douglas Fir—						
Total	30,189	2,015	11,096	737	4,922	350
Canada	2,904	237	420	17	178	6
United States	27,285	1,778	10,676	720	4,744	344
Large and Medium Squares of Douglas Fir—						
Total	461,160	19,610	92,941	3,920	90,648	4,037
Canada	85,384	3,753	10,676	456	11,319	452
United States	375,649	15,849	82,265	3,464	79,329	3,585
Piling of Douglas Fir—						
Total	27,072	1,360	27,027	1,228	11,851	653
Canada	618	17	...	...	...	...
United States	26,454	1,343	27,027	1,228	11,851	653
Logs and Cants of Douglas Fir—						
Total	209,447	8,166	34,091	1,572	24,649	1,172
Canada	132,073	4,672	5,730	242	5,290	256
United States	77,368	3,494	28,361	1,330	19,346	916

* Asiatic Russia supplied considerable quantities under this heading in 1937 and 1938.

EXPORTS

The following table shows exports of Japanese wood and wood products in the past three years:—

Exports of Japanese Wood and Wood Products, 1937-39

	1939 Yen	1938 Yen	1937 Yen
Total	128,646,845	46,886,644	35,411,867
Railway sleepers	3,673,843	285,591	466,740
Plywood:			
Of lauan	9,692,589	6,064,084	9,002,172
Of others	2,806,291	(included under lauan)	
Shooks for boxes:			
Lauan plywood	104,223	2,696,347	2,719,965
Other plywood	1,953,800	(included in above)	
Shooks of ezomatsu and todomatsu	2,460,625	1,558,467	2,841,947
Shooks, others	3,746,599	2,490,115	1,551,398
Shooks for wood casks	639,189	438,195	260,781
Match sticks	793,570	661,839	388,335
Wood shavings for match box	892,790	509,135	298,448
Sawn lumber	65,866,193	17,825,361	13,535,841
Logs and cants	36,017,133	14,357,510	4,346,240

Under the heading of "sawn lumber" the following species of wood make up the bulk of the exports: birch (kaba), elm (nire), cedar (sugi), pine (matsu), oak (nara), and other broad leaves and other conifers. The following species appear under the heading of "logs and cants": cedar (sugi), pine (matsu), silver fir (ezomatsu), spruce (todomatsu), larch (karamatsu), and other broad leaves and other conifers.

The principal markets for Japanese wood and wood products in the past three years were as follows:—

Principal Purchasers of Japanese Wood and Wood Products, 1937-39

	1939 Yen	1938 Yen	1937 Yen
Kwantung Province	45,698,749	15,167,997	6,122,163
China	42,934,899	13,839,482	2,950,886
Manchukuo	26,316,937	4,298,836	1,535,730
Great Britain	4,727,665	4,962,046	12,141,309
British India	1,381,772	1,241,592	1,533,409

	1939 Yen	1938 Yen	1937 Yen
Netherlands India	948,969	1,636,301	1,686,994
Netherlands	638,742	418,130	659,514
Union of South Africa	461,526	533,583	1,169,226
Australia	253,554	355,480	382,624
United States	230,223	159,334	622,378
Hongkong	112,923	43,827	472,039
Belgium	110,663	333,308	780,547
Straits Settlements	103,841	206,026	626,397
Germany	81,496	78,376	51,849

As will be noted from the above table, exports to the yen-bloc countries, namely Manchuria, North China and Kwantung Province, increased considerably in 1939 as compared with 1938. This increase is attributed to the progress of the development work in those countries.

OUTLOOK FOR NORTH AMERICAN LUMBER

The Japanese Government is fostering domestic production of lumber to a great extent, but it is obvious that Japan has to rely largely upon imports for her requirements owing to the fact that her natural resources are limited. The consensus of opinion among the importers is that, if and when the exchange control laws are lifted or relaxed and trading returns to normal, the importation of North American lumber will return to its former level. Even at present, with importations strictly controlled, exchange permits for lumber for military purposes are readily granted.

TRADE AND ECONOMIC CONDITIONS IN THAILAND

K. F. NOBLE, ASSISTANT TRADE COMMISSIONER

[One tical equals \$0.45 Canadian at current exchange; one kilo equals 2.2 pounds; one metric ton equals 2,240 pounds.]

Singapore, June 15, 1940.—By any of the customary indices the economic position of Thailand during 1939 must be considered satisfactory. Economic activity, as measured by trade returns, was materially better than during the preceding year, which was also a favourable year. Total figures were higher than at any time in the past ten years and exceeded the previous record year 1929. Both imports and exports were higher in value, but the favourable balance of trade declined owing to increased government purchases of equipment to extend its sphere of participation in industry. Government finances continued on a firm basis, with ordinary expenditure met from income.

The major features of the further improvement in conditions during the year were the bumper rice crop and the materially improved position of the tin industry. The absolute increase in the value of tin exports was the largest single factor contributing to the increased total of exports, but the larger rice crop has a more general effect on the well-being of the country. With more than 80 per cent of Thailand's 15,000,000 people directly dependent on rice for their livelihood the largest value of exports in ten years, if not in the history of the country, has meant increased purchasing power well distributed throughout the population.

GOVERNMENT FINANCES

At time of writing, final statements of income and expenditure for the year, ending March 31, 1940, are not available but it is reported that the income and expenditure statements are in keeping with the original budget forecast which placed expenditure at 124,006,413 ticals and revenue at 124,006,735 ticals. Apart from the anticipated balancing of income and recurrent expenditure, there has been a substantial capital expenditure on projects which will be more

than self-supporting. Such capital expenditure is provisionally estimated at 22,883,364 ticals, with 13,880,000 ticals chargeable to reserve and the balance financed from internal bond issue.

FOREIGN TRADE

Total trade during the year was valued at 391,523,000 ticals (Can.\$176,185,000), an increase of 25·8 per cent over the previous year. The following table shows total trade, exports, imports and the balance of trade for the past three years and for the year 1929:—

	Total Trade	Exports Figures in 1,000 Ticals	Imports 1,000 Ticals	Balance of Trade
1929..	368,031	188,382	179,650	+ 8,732
1937..	281,920	167,047	114,873	+ 52,174
1938..	309,850	191,351	118,499	+ 72,852
1939..	391,523	199,353	192,170	+ 7,353

EXPORTS

Exports were valued at 199,353,000 ticals, an increase of slightly better than 4 per cent over the value for the previous year. The principal commodities exported during the past three years and also in 1929 are shown below:—

	1929	1937	1938	1939
	Figures in 1,000 Ticals			
Rice	143,423	71,494	98,597	108,404
Tin ore..	13,433	40,904	27,203	41,119
Rubber	3,103	27,060	21,878	27,246
Teak	11,663	8,835	7,397	7,325
Other goods	16,760	18,754	36,276	16,260

The changing position of Bangkok and the provincial export points are indicative of the altering importance of these export products. Rice is processed in the mills at Bangkok and is therefore exported from that city, as is teak which, though cut in the interior, moves to the capital to connect with ocean steamers. Industrial production centres in Bangkok, which is the export point for such of the products as are suitable for sale abroad. Tin and rubber, however, are products of the hinterland and are regularly exported through provincial ports, whence they move to British Malaya.

Following is a summary of the distribution of export trade between Bangkok and the provincial ports for the years 1937, 1938 and 1939:—

	Bangkok		Other Ports		Total
	1,000	Per Cent	1,000	Per Cent	1,000
	Ticals	of Total	Ticals	of Total	Ticals
1937	95,514	57.5	71,532	42.5	167,048
1938	136,406	71.2	54,945	28.8	191,351
1939	128,279	64.2	71,074	35.8	199,353

No record of exports to Canada is available, but figures of the Dominion Bureau of Statistics show Thailand as a country of origin for goods to the value of \$41,640 (\$9,862 during 1938). Products contributing to the total are Bangkok rice and semi-precious stones.

NOTES ON EXPORT COMMODITIES

RICE

The rice crop for the season ending November 30, 1939, was only slightly in excess of that for the previous year, but exports were the highest in value in ten years if not in history. Prices were maintained at a profitable level throughout the year. Shipments to Malaya increased, as did shipments to China proper and Japan. Mid-year shipments to Continental Europe were well above average

and more than compensated for declining orders from South Africa and the West Indies. At the close of the calendar year 1939, exports for the previous twelve months were valued at 108,404,000 ticals, an increase of 8.6 per cent in value over the 1938 shipments.

The favourable conditions prevailing in the rice industry were a major factor in Thailand's improved economy during the year under review and brought an unusually large degree of prosperity to the individual producers. Present prospects for the 1939-40 season suggest that both prices and qualities will be lower, although probably on a level similar to 1938, which was also a favourable year.

TIN

As a late subscriber to the International Tin Convention, Thailand's permissible export was set at an ample total. Her nominal basic quota of 18,000 tons, after a series of adjustments, gave a permissible export of 16,299 tons as against which, however, shipments amounted to 16,991 tons, with the close of the year showing an over-exported position by 692 tons and the largest total exports on record. Under the joint stimulus of increased exports and higher prices, the value of tin shipments increased by 51.5 per cent to 41,118,772 ticals.

RUBBER

The basic quota allotted to Thailand by the International Rubber Regulation Committee was increased by 1,000 tons to 41,000 tons for the year 1939. Despite the international quota regulations, the industry operated at almost full capacity during the year, and by the end of December had shipped 41,266 tons, including overshipment of 340 tons. The quantity of exports increased very slightly during the year, but higher international prices made the business increasingly profitable, and the value of shipments advanced by 24.4 per cent to 27,246,000 ticals.

TEAK

The distressed position of Thailand's teak industry, which continues to suffer from earlier exploitation, has been referred to in reports for other years. In the absence of government legislation to rehabilitate the industry, it is doubtful if the value of exports will increase in the future. Both quality and quantity of the teak exported were lower, the declared value being some 7,325,000 ticals as against 7,397,000 ticals in 1938.

IMPORTS

The value of imports was substantially higher, with a declared value of 192,170,000 ticals (Can.\$86,476,500), an increase of 62.3 per cent over the total for the previous year.

Factory equipment imported by the Government to extend the sphere of their activity in industry was an important factor in this total, as was the further purchase of rolling stock and general equipment by the Thai State Railways. The general improvement in the standard of living consequent on the large rice crop permitted the individual supplier to increase consumption of imported goods by a total which in the aggregate was considerable.

IMPORTS FROM CANADA

Information respecting countries of origin for Thailand's imports are not available, but totals released by the Dominion Bureau of Statistics show that Canada's exports to that country, although still small, continue to expand, being valued at \$42,741 as against \$29,461 in 1938; \$15,576 in 1937; and \$7,294 in 1936.

The principal items imported from Canada in the 1939 total, with figures for 1938 within parentheses were as follows (values in Canadian dollars): asbestos,

\$11,032 (not specifically mentioned in 1938); milk products, \$6,994 (\$7,341); rubber belting, \$4,103 (not specifically mentioned); brewers' malt, \$3,860 (n.s.m.); manufactures of clay, \$3,466 (n.s.m.); other rubber manufactures, \$2,760 (\$4,314); proprietary medicines, including chemicals, \$2,334 (n.s.m.); canned fruits and vegetables, including sauces, \$2,876 (\$2,154); electrical apparatus, \$2,276 (\$3,522); aluminium manufactures, \$863 (\$519); storage batteries, \$546 (n.s.m.). Smaller items included artificial silk textiles, \$379; lamps and lanterns, \$385; motor car tires, \$290; machinery, \$226; battery separators, \$215; paint, fresh fruit, periodicals, zinc spelter, cotton underwear, dolls, glassware, singlets, and alimentary paste.

Direct shipping service from Canada is irregular, and cargo reaches the Thailand market through the Straits Settlements ports of Singapore and Penang. Supplementing such shipments is a substantial trade in goods stocked by wholesale merchants at the entrepot points, which facilitate shipments on through bill of lading.

Canadian manufacturers desirous of entering the Thailand market should concentrate initially on British Malaya, whence their goods, if saleable, will reach Thailand. Provided commodities prove saleable through such indirect channels, steps can be taken either to obtain local representation in Thailand or to extend the terms of the existing Malayan agency to include that country.

Under present wartime conditions, Malayan imports generally are restricted to a percentage of the purchases during 1938. Such curtailment affords little opportunity for re-exports and makes indirect entry into the Thailand market more difficult. The alternative of direct initial entry is, however, complicated by the absence of shipping services.

PRINCIPAL IMPORTS OF INTEREST TO CANADA

Detailed statistics of imports are lacking, but total imports for a selected list of commodities and some comments on known sources of supply are given herewith (values in ticals being shown within parentheses):—

Biscuits.—1939, 57,936 kilos (98,812); 1938, 65,321 kilos (107,919). Supplies of Japanese origin have increased sharply at the expense of Hongkong and Singapore. The limited quality market still demands biscuits from the United Kingdom in hermetically sealed packages.

Canned Sardines.—1939, 159,516 kilos (43,318); 1938, 349,534 kilos (158,686). Japan is almost the sole source of supply. Nevertheless, the value of imports declined by almost 70 per cent last year and 60 per cent during the previous year.

Canned Salmon.—1939, 3,184 kilos (2,753); 1938, 2,490 kilos (3,512). The sale of quality salmon from the United States is negligible, and the demand is for low-priced packs of Japanese origin.

Canned Fish, Other Sorts.—1939, 33,054 kilos (18,796); 1938, 65,471 kilos (30,582).

Wheat Flour.—1939, 11,472,249 kilos (989,461); 1938, 13,015,733 kilos (1,267,522). Australia has supplied almost 100 per cent of the imports for several years past, but supplies of Japanese origin were appreciable during 1939.

Canned Milk, Condensed, Sweetened.—1939, 8,119,320 kilos (2,649,747); 1938, 8,483,336 kilos (1,490,424). Denmark is the principal supplier, followed by Holland and Japan. Price is the principal and, indeed, only factor determining country of purchase.

Canned Milk, Evaporated, Unsweetened.—1939, 1,465,247 kilos (484,163); 1938, 1,214,887 kilos (363,036). Japan is the major supplier, with limited quantities from Denmark.

Sterilized Natural Milk.—1939, 68,641 kilos (39,598); 1938, 67,634 kilos (29,919).

Milk, Powdered, Whole.—1939, 60,132 kilos (122,108); 1938, 70,585 kilos (138,119). Canada's largest export to Thailand is included in this item, competition being principally from Australia and Switzerland.

Milk, Other.—1939, 102,108 kilos (221,031); 1938, 88,548 kilos (162,471). The striking increase represents a reclassification of powdered milk imports after an international organization began to supply from Australia.

Motor Cars.—1939, 1,382 units (2,466,414); 1938, 928 units (1,556,436). A large Canadian motor car manufacturer maintaining an assembly plant in Singapore, enjoys a substantial share of the business. The increase reflects improved purchasing power throughout the country.

Motor Car Tires.—1939, 13,920 units (754,613); 1938, 14,017 units (462,634). Sources of supply are Netherlands India, Japan, the United States, Canada, and England.

Motor Car Tubes.—1939, 11,225 units (93,121); 1938, 8,712 units (39,827). Netherlands India and Japan were partially displaced by Germany.

Electrical Goods and Apparatus.—1939, 2,159,593 kilos (2,826,466); 1938, 1,747,328 kilos (2,414,072). The government mills purchased the principal portion of the goods under this classification, which was imported from Japan and Germany.

Hosiery of Silk.—1939, 5,099 ticals; 1938, 8,882 ticals. A decline in consumption occurred during the last five months of the year, when supplies of German origin became unavailable.

Hosiery of Cotton.—1939, 133,272 ticals; 1938, 241,002 ticals. The decline in imports of these products, which are supplied almost exclusively by Japan, Shanghai, and Hongkong, indicates increased development of the domestic industry.

Hosiery of Wool.—1939, 7,543 ticals; 1938, 17,237 ticals. Although no imports from Europe were available after September, the principal factor affecting trade is the increasing domestic production of cotton hosiery.

Machinery Belting.—1939, 69,979 kilos (153,655); 1938, 49,342 kilos (120,032); 1937, 60,469 kilos (367,633). Supplies are obtained from Japan, Netherlands India and Canada, the increase in imports being attributable to the more favourable situation prevailing in the tin industry.

Paper of All Kinds, Unprinted.—1939, 9,762,171 kilos (1,707,980); 1938, 8,516,667 kilos (1,702,403).

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

INDIVIDUAL IMPORT LICENCES REQUIRED FOR TALC, STEATITE, AND SOAPSTONE

With reference to the article in *Commercial Intelligence Journal* No. 1900 (June 29, 1940), page 1036, respecting United Kingdom import licensing, Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, cables that the Board of Trade announces that the Open General Licence for the importation of talc, steatite, and soapstone, ground or unground, including French chalk and asbestine, has been revoked and that individual licences will be required for these goods unless despatched to the United Kingdom before July 25 and imported before September 25.

The goods in question should not in future be shipped to the United Kingdom unless assurance has been received from the importer that the necessary import licence has been or will be granted for specific shipments.

Ireland

CONTROL OF IMPORTS OF CERTAIN WOVEN TISSUES

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, by four Orders of the Government of Eire, all dated June 25, 1940, the importation of certain cotton piece-goods, formerly unrestricted, is now subjected to quota restriction as from August 7, 1940, on importation into Eire.

Following is a brief description of the goods affected by the above quota orders: woven piece-goods containing more than 60 per cent by weight of cotton and not exceeding 10 ounces in weight per square yard and which are (a) for the manufacture of bed ticks and mattresses, (b) terry, (c) not less than 45 inches in width for bed sheets, (d) not less than 4 ounces in weight per square yard for the manufacture of shirts, pyjamas, dungarees.

Woven tissues of the following classes are exempt from quota restriction: (a) woven piece-goods under 7 ounces in weight per square yard, which contain a substantial proportion of wool; (b) woven piece-goods which do not exceed 25 inches in width, partly of art silk, silk, or both; (c) woven piece-goods exceeding 25 inches in width containing not less than 30 per cent by weight silk

or artificial silk, or both; (d) woven piece-goods coated with rubber on one or both sides and for use as bed sheets; (e) certain types of industrial blanketing or felt; (f) for upholstery of furniture or vehicles; (g) for making curtains; (h) for bookbinding.

AMENDED DUTIES ON CERTAIN COTTON PIECE-GOODS

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that Orders have been issued by the Government of Eire providing for the following changes in customs duties on certain woven piece-goods of cotton, effective June 26, 1940:—

	Former Rates to all Countries	New Rates	
		United Kingdom and Canada	Other British and Foreign Countries
Woven piece-goods including terry containing more than 60 per cent by weight cotton and not exceeding 10 ounces in weight per sq. yard, which are used for bed ticking and mattresses, are not less than 45 inches in width for bed sheets, are not less than 4 ounces in weight per square yard for dungarees or similar protective garments			
ad val.	40% or 4d. per sq. yd. whichever is greater	20%	40%
Woven piece-goods containing more than 60 per cent by weight cotton and not exceeding 10 ounces in weight per square yard, which are not less than 4 ounces in weight per square yard for shirts or pyjamas	ad val.	40%	20%
Other woven piece-goods containing more than 60 per cent by weight cotton and not exceeding 10 ounces in weight per square yard	ad val.	40%	30%
All other woven piece-goods of cotton or union piece-goods made of a combination of cotton, flax, hemp, ramie, jute, hair (other than mohair or camel hair), silk, and artificial silk	ad val.	40%	40%*
			60%

* This rate applies to "other British countries" as well as to Canada and the United Kingdom.

A licensing provision subject to the terms of the United Kingdom-Eire Trade Agreement, whereby these duties may be reduced, is attached to the Orders by which these duties are changed.

Canadian goods under the first three items, in order to qualify for admission at the preferential rate, must have at least 50 per cent of their value made up of Canadian origin, while the last item must have at least 25 per cent.

Goods under the first three items are subject to import quota restrictions.

Australia

IMPORTS OF NETHERLANDS EAST INDIES ORIGIN EXEMPTED FROM LICENCE

Mr. L. M. Cosgrave, Canadian Trade Commissioner at Sydney, Australia, cables that the Australian Minister for Customs has announced that, effective July 22, Netherlands East Indies is to be regarded by Australia as a "sterling" country for the purpose of import licensing regulations, i.e. Netherlands East Indies goods are exempt from import licensing requirements when imported into Australia.

In order to qualify for "sterling" treatment in Australia, imports from Netherlands East Indies classified under "protective" items of Australian customs tariff must have at least 75 per cent of their value made up of

Netherlands East Indies material and/or labour. Goods under non-protective items must have at least 50 per cent of such qualifying content.

[For explanation of "sterling" countries and of "protective" items see *Commercial Intelligence Journal* No. 1897 (June 8, 1940), page 919.]

Union of South Africa

RAILWAY COMPANIES STAMP ON BILL OF LADING

Mr. J. H. English, Canadian Trade Commissioner at Johannesburg, reports that the Commissioner of Customs at Pretoria has advised him that through bills of lading covering Canadian merchandise shipped from Canada to South Africa via New York, or another foreign port, should carry the rubber stamp of the railway issuing company as well as the signature of the agent. There have been a number of instances lately, the Trade Commissioner states, where the rubber stamp has been omitted, and where as a result the South African Customs have refused admittance of the Canadian goods at the preferential tariff rate. On the railway through bill of lading, he points out, it is customary for the agent to sign in the lower right-hand corner. In addition to this, however, it is essential, from the point of view of the South African Customs, that the bill of lading should show the impression of the railway's rubber stamp, as otherwise there is no assurance that the signature is in fact that of the agent of the Canadian railway company.

Barbados

ADDITIONAL DUTIES ON TOBACCO AND ALCOHOLIC BEVERAGES

The Barbados War Purposes Additional Taxation Act, 1940, imposes the following additional import duties, effective June 10, 1940, under both the British preferential tariff and general tariff: 25 per cent of the duty on unmanufactured tobacco, cigars, and alcoholic beverages, including wines and malt liquors; 10d. per pound on manufactured tobacco; 1s. 8d. per pound on cigarettes; and 3d. per pound on snuff. The foregoing additional duties are exempt from the ordinary surtax of 10 per cent of the duty. This Act is to remain in force until March 31, 1941.

Cyprus

WHEAT DUTIES REDUCED

With reference to the notice in *Commercial Intelligence Journal* No. 1897 (June 8, 1940), page 920, that the duties on wheat were increased in Cyprus, Mr. Henri Turcot, Canadian Trade Commissioner at Cairo, reports, effective July 20, 1940, the preferential tariff on wheat was reduced from £2 5s. per ton (2,240 pounds) to 10s. per ton, and the general tariff from £2 10s. per ton to 15s. per ton. The preferential tariff is applicable to British Empire products.

Palestine

ALL IMPORTS SUBJECT TO LICENCE

With reference to the article in *Commercial Intelligence Journal* No. 1893 (May 11, 1940), page 713, concerning import regulations in Palestine, Mr. Henri Turcot, Canadian Trade Commissioner at Cairo, cables that, effective July 18, all imports into Palestine are prohibited except under licence. Previously, under an import licensing system established by Gazette Notification of December 11, 1939, as amended by an Order of December 21, the importation of most goods comprising the normal commerce of Palestine was prohibited except under licence.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JULY 29, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for the principal exchanges for the week ending Monday, July 29, 1940, and for the week ending Monday, July 22, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending July 22	Nominal Quotations in Montreal Week ending July 29	Official Bank Rate
Finland	Markka	.0252	\$.0218	\$.0219	4
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0073	.0073	6
Hungary	Pengo	.1749	.3227	.3227	—
	Unofficial		.2150	.2150	—
Yugoslavia	Dinar	.0176	.0249	.0249	5
Portugal	Escudo	.0442	.0428	.0428	4-4½
Roumania	Leu	.0060	.....	.....	3½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2643	.2645	3
Switzerland	Franc	.1930	.2521	.2522	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2220	.2223	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.....	.....	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.....	.....	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2470	.2431	—
Brazil	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0558	.0558	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6326	.6326	4
Peru	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.3944	.3889	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0672	.0679	—
Hongkong . . . . .	\$	.....	.2662	.2635	—
India	Rupee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2601	.2601	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.....	.....	—
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5760	3.5760	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds continued unchanged at \$4.43-\$4.47 and \$1.10-\$1.11 during the week ended July 29. At New York sterling free market rates moved between \$3.81½ on the opening day and \$3.88 on the following day, while the closing rate for the week at \$3.85 indicated a net gain of 4 cents. Dealers reported light trading in both free and registered sterling during the week. A 1-cent drop to 87½ cents was noted for Canadian funds in the same interval. Montreal rates for the Argentine peso (free rate) developed an easier tone, quotations closing 39 points lower at 24.31 cents. Among Continental European units, Swiss francs stiffened 1 point to 25.22 cents, while the Swedish krona (quoted nominally) ended 2 points higher at 26.45 cents.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Outboard Motors.	531	Birmingham, England. . . .	Purchase and Agency.
Vulcanized India-rubber Flexible Cords.	532	Sydney, Australia.	Purchase and Agency.
Electrical Accessories for Installations.	533	Caracas, Venezuela.	Agency.
Steel Cable Rope.	534	Bogota, Colombia.	Purchase.
Steel Rails.	535	Medellin, Colombia.	Agency.

198 LIST OF PUBLICATIONS OF THE IMPERIAL ECONOMIC COMMITTEE

I. REPORTS TO GOVERNMENTS

Report No.			
1.	General (1925)	9d.	(10d.)
3.	Fruit (1926)	4s. 6d.	(4s. 10d.)
4.	Dairy Produce (1926)	1s. 0d.	(1s. 2d.)
5.	Fish (1927)	6d.	(8d.)
6.	Poultry and Eggs (1927)	1s. 0d.	(1s. 2d.)
7.	Honey (1927)		
8.	Functions and Work of the Committee (1927)	6d.	(7d.)
9.	Tobacco (1928)	9d.	(10d.)
10.	Timber (1928)	9d.	(10d.)
11.	Trade in Agricultural Machinery (Survey) (1928)	6d.	(8d.)
12.	Pigs and Pig Products (1929)	6d.	(8d.)
13.	Trade of the British Empire (Memorandum) (1929)	6d.	(7d.)
14.	Trade in Rubber Manufactured Goods (Survey) (1929)	6d.	(8d.)
16.	Hides and Skins (1930)	6d.	(7d.)
17.	Progress Report (1930)	6d.	(7d.)
18.	Tea (1931)	6d.	(8d.)
19.	Coffee (1931)	6d.	(8d.)
20.	Wheat Situation, 1931 (Survey)	6d.	(8d.)
21.	Imperial Industrial Co-operation (1932)	6d.	(7d.)
22.	Cocoa (1932)	6d.	(8d.)
23.	Wine (1932)	6d.	(8d.)
24.	Hemp Fibres (1932)	6d.	(8d.)
26.	Constitution and Work of the Committee (1932)	6d.	(7d.)
27.	Grassland Seeds (1934)	1s. 0d.	(1s. 2d.)
28.	Maize (1934)	1s. 0d.	(1s. 2d.)
29.	Trade in Electrical Machinery and Apparatus (1936)	2s. 6d.	(2s. 8d.)
30.	Survey of the Trade in Motor Vehicles (1936)	2s. 6d.	(2s. 9d.)
31.	Tobacco (1938)	2s. 0d.	(2s. 2d.)
32.	Survey of the Trade in Canned Food (1939)	2s. 6d.	(2s. 9d.)

The fifteenth and twenty-fifth reports are confidential and have not been published; the second report is out of print.

II. SURVEYS OF WORLD PRODUCTION AND TRADE

Cattle and Beef (1934)	5s. 0d.	(5s. 6d.)
Ground Nut Products (1934)	4s. 0d.	(4s. 6d.)
Mutton and Lamb (1935)	4s. 0d.	(4s. 6d.)
World Consumption of Wool, 1928-35 (1936)	4s. 0d.	(4s. 6d.)
Apples and Pears (1938)	4s. 0d.	(4s. 6d.)

III. COMMODITY SERIES

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL

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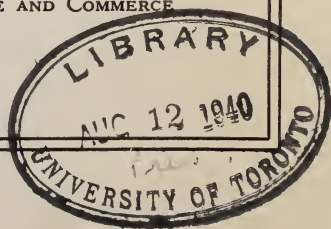
Ottawa, August 10, 1940

No. 1906



Landing Barrels of Pickled Mackerel at Halifax Fish Docks

ISSUED BY AUTHORITY OF
THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE
J. G. PARMELEE, DEPUTY MINISTER



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Ottawa, August 10, 1940

No. 1906

INDEX TO THE "COMMERCIAL INTELLIGENCE JOURNAL"

The Index to the *Commercial Intelligence Journal* for the six months ended June 30, 1940 (Nos. 1875 to 1900 inclusive) is being sent out to subscribers with this issue of the *Journal*. Canadian manufacturers and exporters are strongly advised to file all numbers of the *Commercial Intelligence Journal* for future reference, and to preserve them, with the Index, in bound volumes, or in some other convenient form. Back numbers of the Index, as well as additional copies, may be had free of charge on application to the Department of Trade and Commerce, Ottawa.

TRADE COMMISSIONERS ON TOUR

The following Trade Commissioners are now on tour in the Dominion in the interest of Canadian trade with their respective territories: Mr. Paul Sykes, Bombay, India (whose territory includes Burma and Ceylon); Mr. C. S. Bissett, Havana, Cuba (whose territory includes Haiti, the Dominican Republic, and Puerto Rico); and Mr. F. W. Fraser, Kingston, Jamaica (whose territory includes the Bahamas and British Honduras). Their itineraries are as follows:—

Mr. Sykes

Hamilton and Winona .. Aug. 12 to 14	Kingston and district.. .. Aug. 30
Toronto and district Aug. 15 to 28	Brockville.. .. Aug. 31
Whitby, Belleville and district Aug. 29	

Mr. Bissett

Toronto and district Aug. 12 to 17	London and district Aug. 23
Guelph. Aug. 19	Walkerville Aug. 24
Kitchener and district. . . Aug. 20	Vancouver and Victoria .. Aug. 29 to Sept. 7
Galt and Brantford Aug. 21	Calgary Sept. 9
Hamilton and St. Catharines Aug. 22	Edmonton Sept. 10

Mr. Fraser

Montreal. Aug. 12 to 17	South Brookfield, Liverpool, Bridgewater and Lunenburg.. .. Sept. 2
Granby and district Aug. 19	Halifax Sept. 3 to 5
Sherbrooke and district .. Aug. 20 and 21	Stewiacke, New Glasgow and Truro.. .. Sept. 6
Quebec Aug. 22 and 23	Charlottetown and district Sept. 9
Saint John Aug. 26 and 30	Port Elgin, Sackville, Amherst and Moncton . Sept. 10
Grand Manan Aug. 27 to 29	
Digby Aug. 31	

Canadian firms who wish to be brought in touch with the Trade Commissioners should communicate, for Montreal, with the Montreal Board of Trade; for Toronto, Edmonton, Vancouver and Victoria, with the office of the Canadian Manufacturers Association; and for other centres, with the respective Board of Trade or Chamber of Commerce.

TRADE CONDITIONS IN THE UNITED KINGDOM

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, July 11, 1940.—Changes in the war situation, and particularly in the field of Government policy, have resulted in the more rigid regulation of both production and civilian consumption, the control of all imports (except live animals), a further acceleration of production for war purposes, the absorption of more unemployed persons and a greater direction of civilian energy into national service channels. Under the Emergency Powers (Defence) Act, which was passed into law on May 22, provision is made for requiring persons to place themselves, their services and their property at the disposal of the State. The effect of this Act is that the Government takes control of everything and everybody and is empowered to conscript completely capital, labour and individuals.

In line with the Government's policy of more rigid control of production and consumption, measures are being taken to effect a drastic reduction in civilian consumption. Recent orders have imposed drastic restrictions upon private consumption and these restrictions will doubtless be increased in due course, so that more labour, plant and materials may be available for war production purposes and the manufacture of goods for export. "These measures," says *The Times*, "will be welcomed by the public which, ever since the war, has asked to be told with authority by what sacrifices and what abstinence it could best help the national effort."

LIMITATION OF CIVILIAN CONSUMPTION

The first development in the limitation of civilian consumption took place in April, when supplies to the retailer of woven, cotton, linen and rayon goods were limited to three-quarters of the pre-war quantities. Orders now cover knitted goods as well as numerous articles in general use, including hosiery, pottery, glassware, cutlery, hollowware, machinery and certain kinds of furniture, articles of clothing, fancy goods, musical instruments, toys, toilet preparations, and goldsmiths' and silversmiths' wares, the supply of which over the next six months is to be reduced by one-third. The purchase of machinery of various kinds is prohibited, except under licence.

The success of the savings campaigns, the subscriptions to war loans and the purchase of Savings Certificates and Defence Bonds are indicative of the diversion of money from private expenditure not absolutely necessary; but the measures now taken in the fields of production and trade will undoubtedly require still further support on the financial side by the adoption of a more drastic financial policy.

EXPORT AND IMPORT TRADE

As already indicated in previous reports, German military success on the Continent has necessarily further affected the United Kingdom's export and import trade position. European markets have taken a large share of British exports in the past and have been the source of a considerable volume of imports. Of the United Kingdom's total trade with Continental Europe in 1938, the last annual period for which statistics are available, the export and import trade with the countries more recently affected by German occupation or a state of war was as follows:—

	Exports	Imports
Norway	£ 7,562,014	£10,536,003
Denmark	15,781,059	37,739,858
Belgium	8,219,780	18,259,158
Netherlands	13,134,791	23,806,117
France	15,126,890	22,259,384
Italy	5,718,979	6,765,684

The extent and character of the imports from these countries into the United Kingdom has been the subject of a series of more detailed reports already published in the *Commercial Intelligence Journal*.

Supplies of raw materials which it is necessary to import are reported to be ample; but the effect upon reserves of those products affected by the German occupation of sources of supply has required a greater measure of controlled distribution except for war purposes. The cessation of imports from occupied countries and from those adjacent countries whose transportation facilities have been cut off or greatly restricted is rapidly being compensated for from other sources, particularly from North America.

PRESENT VOLUME OF TRADE

In spite of the many adverse factors in operation, the volume of external trade which it has been possible to maintain so far is regarded as a favourable indication of future possibilities. The returns for the month of May show that exports of United Kingdom goods, although below the record total for April, were the second highest since the beginning of the war and have not been exceeded since October, 1937. They had a value of £45,499,645 as compared with £42,273,350 in the corresponding month of 1939, an expansion of 7·6 per cent. Imports in May were less than in April but considerably higher than in May of last year, being valued at £105,552,962 or 34·4 per cent higher than in May, 1939—a reflection of the larger requirements of munitions and armaments and their raw materials.

EXPORTS PROMOTION POLICY

In view of the conditions already referred to, great interest is being taken in the development of export trade and various measures are being adopted with a view to its maintenance and further expansion, not only because of its importance as a means of conserving and adding to the country's financial resources, but also because of its possibilities as a foundation for post-war trade. The urgent claims of war industries for certain raw materials must inevitably affect the volume available for export; but every effort is being made by the recently constituted Export Council to solve the problem by a system of priorities in which the requirements of the export trade will take precedence over demand for home requirements.

The Export Council has been actively engaged in fashioning machinery likely to enlarge to the greatest possible extent the scope of opportunities for export trade. Some 120 export groups have been set up and they have been assisting in concentrating the export of raw material in the form of more highly finished products rather than in the form of less manufactured products, and in directing production toward export rather than the home market, even when the latter is more profitable.

The President of the Board of Trade declared in the House of Commons that he believed the machinery being evolved would provide appropriate remedies for the practical commercial problems which would arise. He said that the trading community were showing their keenness to assist in the development of export trade as a form of national service, as it was recognized that, if a proper foundation was to be laid for post-war trade, competitive and sales efficiency would have to be developed to the greatest possible extent. "The time has come," he said, "when neither capital resources nor exportable goods could be used for purchasing imports for home consumption beyond the absolute necessities of the population."

The export industries are properly regarded as vital war industries and, apart from the need for directing the present export drive to some extent into munitions production, materials and labour will be diverted from the production of goods for unnecessary consumption at home into the production of goods

for export. To further assist the development of export trade, the Export Credits Guarantee Department has enlarged the facilities available to exporters in respect of the greater risks that arise in war time.

CHANGES IN LABOUR SITUATION

The employment situation has been profoundly affected by the new policy of the redistribution of labour which is now being worked out with a view to ensuring that all available man-power is engaged in the war effort. Between May 20 and June 17 there was a reduction of 113,987 in the number of unemployed persons on the registers of unemployment exchanges in Great Britain. A total of 766,835 for June 17 was 582,744 less than the figure for June 12 last year. The reduction in unemployment is recorded in all areas and in most of the principal industries engaged in war work. There is a steady flow of transfer into those industries from less essential industries, a flow which is not reflected by the reduction in the total of unemployment. The total reduction, therefore, is not to be taken as an accurate measure of the changes in employment in those industries engaged in war work. There are longer hours and more intensified labour, and plans have been adopted for increasing training facilities with a view to the future expansion of industrial production and its rapid acceleration in the near future. All departments concerned with preparations for defence are benefiting from the measures taken by the Ministry of Labour to ensure that every man and woman is engaged on suitable work and that those not fitted for work essential to the country's safety can be given the necessary training.

INCREASE IN PRICES

Various Government measures have been taken to guard against any undue rise in prices; but wholesale prices rose by a further 1 per cent in May, according to the monthly index number compiled by the Board of Trade. Food and tobacco prices increased by nearly 2 per cent and prices of industrial materials and manufactures by about $\frac{1}{2}$ of 1 per cent. Aggregate increases since the outbreak of war are: general index, 36 per cent; food prices, 42 per cent; industrial materials and manufactures, 33 per cent.

UNITED KINGDOM FOOD POLICY

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, July 22, 1940.—A development of interest to Canadian millers exporting to the United Kingdom has been an announcement made in the House of Commons by the Parliamentary Secretary of the Ministry of Food that the United Kingdom authorities intend to fortify white flour with the addition of Vitamin B1 and also to introduce into the loaf a small quantity of calcium salt. In dealing with the relative merits of white flour and wholemeal flour under war conditions, the Parliamentary Secretary said the Government took the view that the main objection to white flour is that it is lacking in vitamin content to be found in the wholemeal variety. Some months must elapse before sufficient Vitamin B1 is available, but when that time arrives the public will have the choice of fortified white bread or wholemeal bread at the same price. The decision to fortify white bread is described as a revolutionary step, because in conjunction with the scheme for making available cheap milk to children and other sections of the population, it would lay the foundation of a nutritional policy which should have a permanent beneficial effect on public health.

The Parliamentary Secretary said the Government had not only increased stocks of wheat, but have also increased the proportion of the reserve held in the

form of flour. He stated that the keeping qualities of white flour are definitely greater than those of high extraction, or of wholemeal flour, and the Government therefore deemed it essential to keep the flour reserve in the form of white flour.

It was announced that stocks of food were sufficient to enable the country to carry on for many months, even in the unlikely event of heavy loss at sea. The Ministry had built up stocks of practically every essential commodity to a point that the nation need have no anxiety. The Ministry was also confident that the arrangements made for the distribution of supplies in the event of emergency would stand the test.

The Ministry of Food, it was announced, are now purchasing nearly 90 per cent of the imports of human and animal food and claim to have been successful in purchasing their requirements overseas at comparatively little over pre-war prices. There have been very substantial increases in the cost of transport and marine insurance, and in additional storage charges, because of the maintenance of stocks on a scale must larger than normal. Nevertheless, the rise in prices has been small compared with the experience of the last war. The Ministry did not expect any further substantial increases in the landed price of food imports.

The Ministry are pursuing their food subsidy policy with a view to keeping down the cost of living and maintaining the prices of certain articles of food at reasonable levels. The present weekly rate of subsidy for bread and flour is £595,000, for home-produced meat £315,000, and for bacon £100,000. These three subsidies amount to £52,000,000 per annum. The estimated cost of the milk scheme is £7,500,000 per annum.

UNITED KINGDOM EXCHANGE CONTROL

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, July 18, 1940.—A report was published in *Commercial Intelligence Journal* No. 1902 (July 13, 1940), page 45, describing measures taken by the United Kingdom Government to limit the use of free sterling as an international medium of exchange. Further regulations in this direction are brought into effect as from to-day by Order in Council, which for practical purposes will result in the elimination of the "free" sterling market.

The main feature of the new regulations is the arrangement made, with the co-operation of United States banks, for a system of "Registered Accounts" through which payments in sterling can be made from residents in a sterling area to residents in the United States for transfer at the official rate and vice versa. Sterling from these accounts will be available to pay for exports from the United Kingdom to the United States. Free sterling will no longer be directly convertible into United States dollars, because no free sterling can be credited to United States accounts except from other United States accounts. The free market in the United States will tend to pass out of use as soon as present holdings are cleared up. All trade and business between the United States dollar area and the sterling area will then be conducted on the basis of one stable rate of exchange, which will be the official rate quoted in London and New York. Similar arrangements have been made with regard to Switzerland.

Treasury Orders which have been adopted under the new regulations provide for special arrangements with a number of countries governing the disposition of sterling. Broadly speaking the negotiation of these arrangements has proceeded far enough to ensure that the main body of transactions, which have hitherto been carried on in free sterling, will soon be effected in Registered or Special Accounts or otherwise taken out of the scope of the free market. It may be expected that for those countries which as yet remain outside the general scheme the effect of the new regulations will be to increase the attractions of

Special Account Agreements and so make it unnecessary to resort to unilateral treatment, but the new regulations expressly provide for it in the form of "Treasury Special Accounts" in case of need.

Outside the sterling area the world is now divided into two other areas or regions—a very large region covered by special arrangements and a smaller region not yet so covered. In the former region free sterling will no longer circulate as heretofore. The supply of sterling to countries in that region will be derived solely from payments by the sterling area for imports and permitted financial transactions (interest, services, etc.). This sterling can be spent only within the sterling area. After the liquidation of existing balances owned by residents in these countries, the use of free sterling will be confined to the region not yet covered by special arrangements. The volume of free sterling will therefore be limited and will decrease as the region in which it is used is restricted by the conclusion of further Payments Agreements; nor will there be an organized market for free sterling against dollars.

The Registered Accounts referred to above will be opened with United Kingdom banks in the name of United States (and Swiss) banks. All permitted payments from the sterling area to the United States will be made either in dollars or by a credit of sterling to these accounts. If transfer is not allowed in either of these ways, the payment cannot be made. Exports from the sterling area to the United States may only be paid for in dollars or in sterling from a Registered Account. It will still be possible for existing free sterling balances to pass from one United States resident to another, but free sterling in the hands of other non-residents will not be allowed to pass into United States hands.

FURTHER UNITED KINGDOM TIMBER CONTROL ORDERS

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

Bristol, July 15, 1940.—Summaries of Timber Control Orders issued by the Ministry of Supply since the beginning of the war have been published in *Commercial Intelligence Journal* No. 1867 (November 11, 1939), No. 1884 (March 9, 1940), and No. 1895 (May 25, 1940). Since the last was prepared several other Orders have been issued, brief details of which are included in this report.

REASON FOR INCREASED PRICES OF TIMBER

The Ministry of Supply, in a memorandum dealing with the control of timber supplies, pointed out that on the outbreak of war the whole of the imported timber available for sale in this country consisted of private stocks in the hands of importers and merchants, and that a schedule of maximum prices was issued at that time which remained in force for nine months. Since September, however, all importations, with certain minor exceptions, have been made by the Timber Control Department in accordance with the Government policy of centralized purchases of essential materials.

The consumption of timber in the prosecution of the war is extremely heavy, in spite of the exercise of the utmost economy; and large purchases have had to be made for the national stock from overseas sources. Generally speaking, the average cost of purchases abroad is little, if at all, above the pre-war price level in the currency of the exporting country. There are, however, several factors rendering final costs in this country very much higher than they would be in peace-time. These include increased freight rates, the heavy cost of war-risk insurance, and the depreciation in the value of the pound sterling. Consequently, a drastic alteration in selling prices has become necessary at the time when the stocks of nationally-owned timber are being generally released.

NATIONAL TIMBER STOCKS

The quota system for the distribution of the national stocks (referred to on page 365 of *Commercial Intelligence Journal* No. 1884) has just been put into operation, and the Control of Timber (No. 13) Order issued on July 1 sets out in detail the increased prices fixed for most classes of timber. The increases range from 20 to 25 per cent for expensive hardwoods to over 100 per cent for softwoods.

CONTROL ORDERS

In the following paragraphs the Timber Control Orders issued since the report appearing in *Commercial Intelligence Journal* No. 1895 was prepared are briefly summarized.

No. 12 Order.—This Order provides that prices for home-grown timber as from May 21 may be negotiated between buyers and sellers in cases in which prices are not already fixed by the Control Orders, and also in cases where prices are already fixed but in which the timber is of exceptionally large dimensions.

No. 13 Order.—In addition to the new fixed prices set out in the schedule to this Order, effective July 1 and applying to every class except plywood* and home-grown timber, all provisions relating to the acquisition and disposal of timber in previous Orders are replaced. In general, the provisions remain substantially unchanged; but the opportunity has been taken to tighten up the licensing system by making the following amendments which have been found desirable in the light of experience: (a) transactions between merchants will, in future, be subject to licence; (b) the maximum limits for consumption by consumers from their own stocks without licence are reduced to 1 standard for softwood, 100 cu. ft. for hardwood, and 1 cu.m. or 10 bundles (whichever is the less) for plywood and veneer; (c) all acquisitions of timber are now subject to licence except in the case of goods acquired up to a value of £1 once a month; (d) the £2 limit of exemption from price control is now reduced to £1. In short, with certain defined exceptions, the new Order extends the licensing system to all transactions in both imported and home-grown timber.

Timber Charges (No. 1) Order.—The new fixed prices set out in the schedule to Timber Control (No. 13) Order apply to the remainder of the private stocks held by merchants and others, as well as to the national stocks. In order to prevent additional profits accruing to holders of such private stocks, this Order made by the Treasury imposes a charge on their sale and use which is based on the difference between the new fixed prices and the maximum prices ruling before July 1. This is the alternative adopted to the requisitioning of private stocks. The Order also provides for a special arrangement, with the agreement of the coal industry, in respect of mining timber. The cost to the Control of imported pitprops is very much greater than the price of home-grown props; but to avoid large differences in the cost of timber to different mines, prices for imported props are fixed at a figure near, though still higher than, the price of home-grown props. The resultant loss to the Control will be recovered by a levy, at the rate of 4d. a ton, on sales of coal. This arrangement does not apply for the time being to South Wales mines which use pitwood that they themselves import.†

SUPPLY POSITION

Referring to the present supply position, the Timber Controller stated that the scheme adopted for obtaining pitprops from Canada had been attended with success. A tremendous quantity of props is now being received from the

*A further Order respecting the prices of imported plywood will be issued at an early date.

†Shipments of Portuguese wood are still being received in South Wales.

Dominion and, as time goes on, the United Kingdom will absorb an even greater Canadian production. The supply of pitprops from Newfoundland is still up to expectations.

With regard to timber for general purposes, practically the whole of Europe has now been cut off as a source of supply. In peace-time something like three-quarters of the United Kingdom requirements came from European countries. In spite of this situation, larger quantities of timber are now arriving than at any time since the war began. The Controller mentioned that one important development in this connection was the sending of timber by rail from British Columbia to Eastern Canadian ports for shipment. He revealed that no less than 100,000 tons will have been carried in this way by the end of July.

The production of home-grown timber is steadily increasing and greater efforts are being made to speed this work. The most serious limiting factor is said to be the labour available.

ECONOMY MEASURES

Dealing with economy in the use of timber the Controller drew attention to the fact that the licensing department is devoting all its energies to restricting timber—firstly, to war requirements and, secondly, to such civil requirements as are connected with the war effort, or as are essential to the life of the community. Timber is not available for civil building except where houses are nearing completion or are to be used for housing munition or aeroplane workers. Nor is timber to be released for making domestic furniture, adequate stocks of which are, for the time being, in wholesale and retail hands. The Control is still continuing to release timber for the manufacture of sufficient sports goods, because these are required in connection with the Government's "Keep Fit" policy. A certain amount of timber will also be allocated for radio sets of simple design.

The Controller explained that every one of the three or four thousand uses of timber is being examined, and as an example he drew attention to the fact that many tons of wood are used annually for heels of ladies' shoes, some 3 to 3½ inches high. He suggested that the wearing of lower heels would be a contribution towards the drive for economy.

DISTRIBUTION OF EGGS IN THE UNITED KINGDOM

The Animal Products Trade Commissioner in London advises that the Ministry of Food has prepared a scheme for the control and distribution of imported eggs, i.e. all eggs except those produced in Great Britain and Northern Ireland. An Order has been made prohibiting, as from September 2, 1940, with certain exceptions, any person from buying or selling imported eggs by way of trade, unless he has been licensed for the purpose by the Ministry.

The exceptions are retailers owning less than 10 shops or branches, caterers purchasing imported eggs for use in their catering businesses, and persons buying eggs for hatching.

To obtain a licence it is necessary that a person shall have been trading in imported eggs either as an importer, wholesaler, secondary wholesaler, or multiple retailer for not less than two years before September 1, 1939.

The title of this Order is "The Imported Eggs (Licensing and Control) Order, 1940," dated July 13, 1940.

BUSINESS CONDITIONS IN SCOTLAND, APRIL-JUNE

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

ENGINEERING

Glasgow, July 3, 1940.—The output of West of Scotland engineering firms during the second quarter of 1940 was in general the highest for many years. Marine engineering, boiler-making, structural and machine-tool establishments have been working to the capacity of their supply of skilled labour and the materials available. The Amalgamated Engineering Union, for the duration of the war, have willingly given up some of their most cherished and hard-won privileges in order to increase output of essential war material. The greatest speed-up, however, has been in the ordnance works, where two twelve-hour shifts have been adopted for the seven-day week, as contrasted with the usual working day of two 8½-hour shifts with some overtime. This increase in working time, it is estimated, will increase output by 30 per cent. Production in the ordnance works, and also in the marine and general engineering works, will be further augmented by the recruitment of more labour, part of which will be women workers as in the last war and part the result of the transfer of skilled craftsmen from municipal and other work to the shipyards and engineering shops.

COAL

The demand for coal continued at a very high level both for the domestic and export trade throughout the quarter.

In each of the four areas of Scotland committees with equal representation of employers and employees were set up by the Government to investigate and take such action as might be necessary to increase coal output. A review of the unemployment registers was undertaken to ascertain what men could be brought back into the industry. But the capitulation of France, by far the greatest market for British coal, has upset all calculations, as all exports to that country have ceased abruptly. In fact, the occupation by Germany of almost the whole of northern and western Europe, and the entry into the war of Italy, also an important importer of British coal in normal times, has seriously reduced overseas outlets. The extent of the reduction cannot yet be calculated, although lack of shipment to overseas markets from Germany and Poland will mitigate the position.

IRON AND STEEL

A large part of the output of the steel works in Scotland is now going to the armament factories and shipyards, and export business is accordingly limited. One result of the collapse of France was the introduction of a seven-day week at the steel works and at most of the re-rolling mills and blast furnaces. The output of plants, which had already exceeded all past efforts, is being increased still further. Brief holidays to allow workers necessary rest and recreation are being arranged in such a way as not to interfere with production. The re-rolling section, the tube works, and the wire-drawing works are all working at highest pressure, while the locomotive makers (who have contracts for mechanized transport on hand as well as normal business) and wrought iron manufacturers are busier than for a long time past. The only section of the iron and steel trade which is not yet fully employed is the light castings industry in central Scotland, but the diversion of some of these foundries from commercial to Government contracts has brought improvement.

SUGAR INDUSTRY

The sugar refineries at Greenock and the entire sugar industry and trade of the country are now under the control of the Ministry of Food (Sugar Division) so far as supply and prices are concerned.

DISTILLING INDUSTRY

The trade in whisky, like all others, has had to adapt itself to wartime conditions. Wholesale merchants, since early in the year, have rationed their customers. Sales to the public for a time were well maintained, especially in industrial areas. The distilling industry had to bear a heavy share of the additional taxation imposed by the September budget, amounting to ten shillings per gallon, but since then further taxation has been imposed which came as something of a shock to this industry. Since then, it is reported that consumption of whisky has noticeably declined.

The export trade has been active. Increased sales have been made to the United States and Canada, compensating to some extent for the loss of Continental markets due to the war.

The grain distilleries have made no whisky since last November and the malt distillers in the Highlands, having produced their allotted third of last year's output, are now closed down, probably for the rest of the year.

EAST COAST FISHING (ABERDEEN)

Comparatively satisfactory conditions prevail in this important industry. The number of British vessels engaged has been substantially reduced, owing to the services of many being required for other important work; but the catches of the local fleets have been augmented by those of foreign vessels at Aberdeen, and merchants have had regular supplies for their customers. Prices have been maintained at a reasonable level and demand has been good.

BORDER WOOLLEN TRADE

In recent weeks the tweed and hosiery factories in the Hawick area have had more orders than they could handle, and overtime and night work have been fairly general; but the loss of the Parisian and other Continental markets has been a serious blow. North America, however, has provided a substantial outlet. The easing of the pressure will result no doubt in the clamant needs of home merchants receiving closer attention. Future prospects are not so bright unless the factories receive further Government contracts.

PAPER TRADE (EDINBURGH)

With the supplies of wood pulp from Northern Europe completely cut off and with only meagre supplies from Canada, the position in the paper trade has become critical. The Scottish industry, which uses a high proportion of esparto grass from the Mediterranean, has been receiving shipments of esparto and has been able to carry on with the use of domestic supplies of straw and other material. As a result of these conditions and the prohibition of the supply of paper by the mills to the merchants except under licence, which is granted only for essential purposes, there has been almost a paper famine. Consumers of all kinds are clamouring for supplies. Great economy in the use of paper and the collection of waste paper for re-pulping have been strongly urged by the authorities and the country generally is responding.

MARKET FOR TOBACCO IN AUSTRALIA

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

Sydney, May 28, 1940.—Tobacco growing, for many years, has received considerable attention throughout Australia from Commonwealth and State government departments. As early as 1888, there were under this crop, some 6,641 acres of which 4,833 acres were in New South Wales, 1,685 in Victoria, and 123 in Queensland. At that time it was thought that Australia would become an important tobacco-growing country, in view of the apparent suitability of climatic and soil conditions. This expectation was not realized, however. During ensuing years the tobacco industry passed through many vicissitudes, particularly in the early years of the century, due to difficulties in eradicating various diseases and in the production of suitable varieties.

DOMESTIC PRODUCTION

In all states of the Commonwealth in which the cultivation of tobacco has been tried, soil and climate appear to have been suitable; but it has been only during recent years that the energies of Commonwealth and State government departments have been directed towards the elimination of disease and the improvement of quality and aroma. Following the more tangible interest evinced by government authorities, an agreement was made between the Commonwealth Government and the Australian Tobacco Manufacturers in 1931, whereby the latter agreed to purchase 7.2 million pounds of suitable leaf during 1931-32 at an average price of 2s. 3d. per pound. Actually, more than 10.5 million pounds were purchased at an average of 2s. 1½d. per pound. The agreement was not renewed, however, and the production area declined from 26,272 acres in 1932-33 to 10,623 acres in 1937-38. The various states of the Commonwealth shared in this latter figure as follows: New South Wales, 610 acres; Victoria, 4,736 acres; Queensland, 3,812 acres; South Australia, 90 acres; Western Australia, 1,216 acres; Tasmania, 159 acres.

During the period from 1919 to 1928 the average production of tobacco was approximately 2,000,000 pounds. There was a substantial increase in the next few years and since 1933 production has been more or less constant at a level considerably above that of 1919-28. On the other hand, yield per acre has fluctuated considerably since then. During that period the average yield was 866 pounds per acre, but that figure has not been reached in any year since. In the five years ended 1937-38 the average yields per acre were: 1933-34, 291 pounds; 1934-35, 392 pounds; 1935-36, 527 pounds; 1936-37, 449 pounds; 1937-38, 563 pounds.

Gross values of tobacco crops for the same seasons were: 1933-34, £A340,000; 1934-35, £A257,000; 1935-36, £A484,000; 1936-37, £A437,000; 1937-38, £A513,000.

The following table, showing the acreage, production, value of tobacco crops and number of producers registered by five-year periods from 1901 to 1935 and by years from 1932-33 to 1937-38 (the latest season for which figures are available), indicates the trend of tobacco production in Australia since the opening of the century:—

Australian Tobacco Production, 1901 to 1938

Period	Area Acres	Production Pounds	Value £A	Producers Registered Number
1901-05	1,412	1,172,976	*	387
1906-10	1,678	1,419,040	41,581	518
1911-15	2,496	2,106,160	65,615	479
1916-20	1,648	1,449,616	104,978	487
1921-25	2,677	1,962,576	158,748	925
1926-30	2,478	1,632,243	121,589	666

* Not available.

Unmanufactured tobacco—	1937-38		1938-39	
	Cental	£A1,000	Cental	£A1,000
Total	232,923	1,896.1	226,660	1,751.0
British countries	308	2.2	680	4.7
Brazil	425	2.1	44	0.19
Netherlands	3	0.014	41	0.23
Netherlands East Indies	1,567	20.7	1,460	14.4
Philippine Islands	849	1.78	668	1.47
Syria	171	0.6	333	1.0
United States	228,673	1,859.0	222,112	1,716.0
Cuba	842	8.1	1,268	11.6
Other foreign countries	85	0.92	54	0.78

Total materials used by Australian tobacco manufacturers in 1937-38 were valued at £A5,855,000 and in 1938-39 at £A6,002,000. The following table shows the quantities and values of imported and home-grown materials used in the manufacture of pipe tobacco, cigars and cigarettes in Australia in these two years:—

Materials Used by Australian Tobacco Manufacturers, 1937-38 and 1938-39

Stemmed leaf used in manufacture of—	1937-38		1938-39	
	1,000 Lbs.	£A1,000	1,000 Lbs.	£A1,000
Tobacco:				
Australian leaf	3,920	478	4,085	512
Imported leaf	9,854	2,884	9,639	2,799
Cigars:				
Australian leaf	285	101	{ 260	{ 91
Imported leaf				
Cigarettes:				
Australian leaf	6,163	2,264	{ 403	{ 71
Imported leaf				
Total Australian leaf	4,230	523	4,488	583
Total imported leaf	15,992	5,204	16,011	5,222
Total leaf	20,222	5,727	20,499	5,805
Other materials used . . . . .	....	128	....	197

The chief demand in Australia is for Virginia-type tobacco, and the principal source of supply is the United States. Imports into the Commonwealth of manufactured cigars and cigarettes are relatively small, and confined chiefly to the more expensive varieties.

The majority of imported leaf is matured in Australia for periods varying with the requirements of manufacturers. Generally, manufacturers maintain stocks of maturing leaf varying from 10 to 30 months.

PROTECTION OF DOMESTIC INDUSTRY

Considerable assistance is accorded the tobacco industry in Australia through the application of customs duties, lower duties being accorded those tobaccos imported for the purpose of blending with Australian-grown tobacco. Following are the rates of duty for various items:—

Tariff Item	British Pref.	Inter-mediate	General
18. Tobacco, unmanufactured, n.e.i. per lb.	10s.	10s.	10s.
19. (A) Tobacco, unmanufactured, entered to be locally manufactured into tobacco other than fine cut tobacco suitable for the manufacture of cigarettes—			
(1) For the manufacture of tobacco in which only imported tobacco leaf is used; for the manufacture of tobacco containing less than 15% by weight of stemmed Australian-grown tobacco leaf (or its equivalent in terms of unstemmed tobacco leaf):			

	Tariff Item	British Pref.	Inter- mediate	General
19. (A)	Tobacco (1)— <i>Concluded</i>			A . . 0—n
	(a) Unstemmed per lb.	5s.	5s.	5s.
	(b) Stemmed, or partly stemmed, or in strips per lb.	5s. 6d.	5s. 6d.	5s. 6d.
	(2) Otherwise:			
	(a) Unstemmed per lb.	3s. 6d.	3s. 6d.	3s. 6d.
	(b) Stemmed, or partly stemmed, or in strips per lb.	4s.	4s.	4s.
(B)	Tobacco, unmanufactured, entered to be locally manufactured into cigarettes or into fine cut tobacco suitable for the manufacture of cigar- ettes—			
	(1) For the manufacture of cigarettes in which only imported tobacco is used; for the manufacture of cigarettes containing less than 3% by weight of stemmed Aus- tralian-grown tobacco leaf (or its equiv- alent in terms of unstemmed tobacco leaf):			
	(a) Unstemmed per lb.	6s. 7d.	6s. 7d.	6s. 7d.
	(b) Stemmed, or partly stemmed, or in strips per lb.	7s. 1d.	7s. 1d.	7s. 1d.
	(2) Otherwise:			
	(a) Unstemmed per lb.	5s. 2d.	5s. 2d.	5s. 2d.
	(b) Stemmed, or partly stemmed, or in strips per lb.	5s. 8d.	5s. 8d.	5s. 8d.
20.	Tobacco, cut, n.e.i.—			
	(A) The manufacture of the United Kingdom, con- taining not less than 15% by weight of stemmed Australian-grown tobacco leaf (or its equivalent in terms of unstemmed tobacco leaf)			
	per lb.	9s. 3d.		
	(B) Other per lb.	10s. 6d.	11s. 6d.	11s. 6d.

As a result of the duties applicable, the blending of locally-grown tobacco with imported tobacco is now general throughout the Commonwealth. Australian taste in tobacco is very similar to that of the United Kingdom and Canada, preference as a whole being accorded Virginia-type tobacco for pipe and cigarettes.

TOBACCO MANUFACTURE IN AUSTRALIA

The manufacture of tobacco throughout the Commonwealth has reached substantial proportions, the value of output having increased from approximately £A2,713,000 in 1913 to £A9,800,000 in 1938-39. Figures recently issued by the Commonwealth Statistician show that in 1938-39 the number of factories engaged in the manufacture of tobacco was 30, that the number of persons employed was 5,544, and that salaries and wages paid in that year amounted to approximately £A1,096,000. Of the 30 factories, 14 were in the State of Victoria, 8 in New South Wales, 6 in Queensland, and one each in South and Western Australia.

The following table shows the quantities and values (exclusive of excise duty) of pipe tobacco, cigars and cigarettes manufactured in Australia in the fiscal years ended June 30, 1938 and 1939:—

Tobacco Manufactured in Australia, 1937-38 and 1938-39

Tobacco—	1937-38		1938-39	
	1,000 Lbs.	£A1,000	1,000 Lbs.	£A1,000
Plug	2,805	739	2,530	675
Flake cut	5,517	2,097	7,257	2,663
Fine cut	7,939	2,719	6,517	2,234
Cigars*	256	286	237	249
Cigarettes†	6,325	3,607	6,731	3,961
Refuse waste and clipping sold	987	0.7	1,353	1
Value of unrecorded production includ- ing other work done . . . . .	....	60	....	16
Total value of output . . . . .	....	9,510	....	9,800

* Number of cigars was 30.4 and 28.9 million respectively. † Number of cigarettes 2,888 and 3,086 million respectively.

PROSPECTS FOR CANADIAN SALES

As shown earlier in this report, despite Australian production of certain types of tobacco, substantial imports are required to meet Australian needs. In this connection, it should be noted that the more important Australian tobacco manufacturers are closely affiliated with leading United Kingdom firms. As a result, they are not only fully informed regarding the varieties available and the quality of Canadian Virginia leaf but, in view of the present uncertain conditions existing overseas, are keenly interested in alternative sources of supply. There is every indication, therefore, that certain varieties of Canadian tobacco may shortly be in demand by Australian manufacturers, and it is hoped that this may eventually develop into permanent business.

CANADIAN TRADE WITH SOUTH AFRICA IN 1939

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, June 19, 1940.—Stimulated by the wartime conditions which prevailed during the latter part of the period, Canadian trade with South Africa registered a marked upward swing in 1939, both import and export figures being above the levels of 1938. The value of merchandise imports was £3,629,025 and of government stores £439,632, making a total of £4,068,657; the comparative figures for 1938 were £3,011,328, £515,449 and £3,526,777 respectively, showing an increase in the total for 1939 of over 14 per cent.

Direct exports of merchandise from South Africa to Canada also moved in the same direction, being valued at £380,226 in 1938 and £710,617 in 1939.

The trend of South African trade with Canada during the past five years is illustrated by the following table:—

	Imports from Canada			Exports to Canada
	Merchandise	Gov't Stores	Total	
1939	£3,629,025	£439,632	£4,068,657	£ 710,617
1938	3,011,328	515,449	3,526,777	380,226
1937	3,420,233	314,316	3,734,549	1,347,756
1936	2,882,089	236,052	3,118,141	267,179
1935	2,436,737	245,348	2,682,085	767,877

During 1939 Canada ranked third, following the United Kingdom and the United States, among the 105 countries and territories listed as sources of South Africa's merchandise imports, having moved up from fourth in 1938 and displaced Germany. In 1939 Canada supplied 4.3 per cent of all imports in comparison with 3.5 per cent in 1938.

Canadian trade statistics show exports to the Union valued at \$17,965,000 in 1939 as against \$15,547,000 in the preceding year, which figures correspond reasonably well with South African values for imports from Canada during the same years. According to Canadian figures, exports to South Africa were exceeded only by those to the United States, the United Kingdom, Australia, and Japan.

IMPORTS FROM CANADA

South Africa's imports from Canada are characterized by their wide diversity. There is no external market in which Canada sells a more varied range of miscellaneous manufactured goods than in the Union. Individually most of them are comparatively low in value but collectively they are of importance in making up the aggregate.

In South African trade statistics imports from Canada are divided into 14 commodity groups. Eight of these, agricultural products other than food-stuffs, beverages; tobacco; minerals and earthenware; oils, paints and varnishes; drugs and chemicals; jewellery and fancy goods; and miscellaneous products

are of minor importance and account altogether for only slightly more than 4 per cent of the total.

The most important group is metals, metal manufactures, machinery and vehicles, which with a value in 1939 of £1,723,735 represented nearly 48 per cent of all imports from Canada. Imports of fibres, yarns, textiles and apparel were valued at £578,838, and accounted for approximately 16 per cent. Lumber and wood products, paper, foodstuffs, and leather and rubber and products thereof, follow in the order named.

Particulars regarding the import values of commodity groups, with comparative figures for 1938, are subjoined:—

	1938	1939
Total all products	£3,011,328	£3,629,025
Animals, agricultural and pastoral products, other than foodstuffs	557	4,308
Foodstuffs	264,293	300,214
Ales, spirits, wines and beverages	3,082	6,568
Tobacco and manufactures thereof	14	.....
Fibres, yarns, textiles and apparel	467,828	578,838
Metals, metal manufactures, machinery and vehicles . .	1,413,459	1,723,735
Minerals, earthenware, glassware and cement	32,468	18,503
Oils, waxes, resins, paints and varnish	11,561	30,284
Drugs, chemicals and fertilizers	114,757	80,211
Leather, rubber and manufactures thereof	139,924	151,703
Wood, cane, wicker and manufactures thereof	268,423	374,312
Books, paper and stationery	274,066	340,660
Jewellery, fancy goods and musical instruments	8,760	14,707
Miscellaneous goods	3,136	4,982

In the first group—animals, agricultural and pastoral products, etc.—are included glue, sausage casings and hides and skins.

FOODSTUFFS

In the foodstuffs group, the more important products imported from Canada, with the value of each, were as follows, figures within parentheses representing the value of imports during the preceding year:—

Biscuits, £1,739 (£4,042); wheat, £3,569 (£4,963); wheat flour and meal, £2,061 (£2,759); malt, £389 (£492); rolled oats, £18,924 (£15,286); non-sweetened cocoa and chocolate, other than confectionery, £181 (nil); chocolate confectionery, £981 (£1,583); other manufactured sweets, £3,328 (£3,857); food extracts and essences, £242 (£40); dried and cured fish, £3,361 (£2,957); fresh or frozen fish, £170 (£136); smoked salmon, lobster and caviar, £229 (£367); other preserved fish, £143,362 (£127,244); farinaceous tonic foods, £1,089 (£773); other farinaceous foods, including patent and proprietary products, £9,798 (£5,436); macaroni, vermicelli and spaghetti, £4,010 (£3,427); fresh apples, £18,329 (£24,929); canned and bottled fruit, £1,531 (£3,645); jams and jellies, £3,107 (£3,613); jelly custard and pudding powder, £3,387 (£3,615); preserved soups, £7,166 (£5,508); desiccated milk, £17,246 (£9,256); prepared mustard, £499 (£284); pickles, £1,851 (£1,184); tomato sauce, £4,134 (£1,795); other sauces and chutneys, £2,156 (£2,305); all other non-specified condiments, £12,326 (£7,493); potatoes, £253 (£10); beans, peas and lentils, £763 (£123); canned peas and beans, £15,430 (£9,692); non-specified canned vegetables (principally corn), £15,945 (£13,691); vinegar in bottles, £419 (£335); all other non-specified foodstuffs, £1,495 (£1,219).

In addition to the foregoing, Canada is credited with small quantities of canned asparagus, maple syrup, and table salt, all of which are classified separately. The value in each instance was, however, less than £100.

ALES, SPIRITS, WINES, AND BEVERAGES

As has already been noted, the beverages group which embodies spirits, wines and beverages, is of small importance from the point of view of Canadian trade. The articles which are credited to Canada are fruit juices and cordials, other potable beverages, and whisky. The last-mentioned was the most important single item, having a value of £4,914. Spirituous toilet preparations of Canadian origin were valued at £103. There were no imports of tobacco and tobacco products.

FIBRES, YARNS, TEXTILES AND APPAREL

The next commodity group—fibres, yarns, textiles, and apparel—is the second most important from the point of view of Canadian trade and accounts for nearly 16 per cent of the total value of imports.

Subjoined are particulars regarding the values of the more important individual commodities involved, those valued at less than £100 being disregarded; the figures within parentheses represent the values recorded in 1938:—

Rubber coats, mackintoshes and oilskins, £1,077 (£150); men's ready-made outer clothing, £296 (£274); men's knitted clothing, including jerseys and pullovers, £2,154 (£2,073); non-specified outer garments for men and boys, £1,638 (£1,469); women's outer garments, knitted, £967 (£1,114); women's outer garments, non-specified, £132,581 (£93,982); corsets, £655 (£669); fur apparel, £1,846 (£1,096); leather gloves, £370 (£370); other gloves, rubber, etc., £993 (£424); felt and fur hats and caps, £327 (£213); ladies' hats, trimmed, £668 (£167); other non-specified hats and caps, £1,531 (£1,244); cotton socks and stockings, £1,764 (£2,484); woollen socks and stockings, £279 (£556); rayon socks and stockings, £42,412 (£36,162); silk socks and stockings, £272,321 (£237,220); non-specified socks and stockings, £65,981 (£69,119); undershirts, £1,805 (£1,651); woven cotton underclothing, £1,762 (£2,061); woven rayon underclothing, £497 (£606); other woven underclothing, £1,895 (£1,787); men's vests, pants and trunks, knitted cotton, £2,925 (£2,543); men's vests, pants and trunks, rayon, £661 (£794); women's vests, knickers, slips and combinations of cotton, £476 (£396); women's vests, knickers, slips and combinations of rayon, £9,798 (£6,023); all other knitted underclothing, £633 (£482); rugs, blankets and kaffir sheets containing more than 60 per cent of cotton, £453 (£261); other cotton blankets and sheets, £196 (£116); cotton piece-goods, £389 (£73); curtains and curtaining, £441 (£340); imitation leather and similar materials for upholstery, £724 (£601); linoleum and floor cloth, £299 (£38); oilcloth, £1,846 (£26); ribbons and sashes, £300 (£38); other non-enumerated articles of haberdashery, £18,819 (£5,504); buttons and studs, £879 (£204); pins, needles and similar products, £343 (£127); rayon piece-goods, £1,038 (£363); silk piece-goods, £130 (£17); non-enumerated textile piece-goods, £290 (£540); non-enumerated textiles and fibre products, £2,898 (£897); non-enumerated vegetable fibres and fibre wastes, £555 (nil).

METALS, METAL MANUFACTURES, MACHINERY AND VEHICLES

Next in importance is the metal and metal manufactures, machinery and vehicles group. Among the products which are here enumerated, motor car chassis and parts and accessories are of outstanding importance. The principal commodities imported, with values in 1939 and 1938 are:—

Cream separators, £499 (£666); binders, reapers and mowers, £24,323 (£16,666); ploughs, harrows and parts, £115,851 (£108,696); kaffir hoes and picks, £216 (£240); farm tractors, £1,085 (nil); other agricultural implements and machinery, £32,378 (£29,561); boilers for industrial purposes, £303 (£361); confectionery making machinery, £202 (£492); corn- and flour-milling machinery, £151 (£167); batteries, £6,979 (£3,760); electrical motors, £268 (£467); non-enumerated electrical machinery, appliances, material and fittings, £3,983 (£14,751); oil and gasoline engines, £261 (£68); traction engines, tractors and parts, £355 (£341); factory plant machinery £3,067 (£5,033); non-enumerated industrial machinery, £33,469 (£27,647); hydraulic and electric lifts and gates, £18,598 (£13,424); steel balls for tube mills, £773 (£975); non-enumerated mining machinery, £5,259 (£5,732); water pumps and accessories, £811 (£464); sawing machinery, £149 (£183); mechanical refrigerators, £5,158 (£15,642); typewriters, book-keeping machines, and accessories, £527 (£452); aluminium bars and ingots, £687 (£7); aluminium sheets, £799 (nil); non-enumerated aluminium products, other than wire, £5,022 (£678); brass and bronze pipe fittings, £292 (£378); non-enumerated brass and bronze articles, other than wire, £204 (nil); ferro silicon, £1,541 (£506); other ferro alloys, £452 (£1,907); bar, bolt and rod iron and steel, £64,397 (£51,062); drill steel, £1,214 (nil); wrought iron and steel pipes, £21,028 (£20,926); cast iron pipe fittings, £1,392 (£686); wrought iron and steel pipe fittings, £325 (£1,136); other non-enumerated pipes, tubes and piping, £333 (£446); galvanized sheets, £2,895 (nil); bolts, nuts and rivets, £4,325 (£2,986); hauling chains, £7,013 (£1,664); cutlery, other than plated, £3,457 (nil); enamelware, £1,743 (£925); hollowware, non-enamelled, £594 (£312); fencing standards and posts, £1,412 (nil); fire extinguishing appliances and apparatus, £233 (£24); shovels and ballast forks, £19,286 (£15,711); wire nails, £14,331 (£13,063); other nails, £541 (£741); safes and strong room doors, £2,365 (£1,543); stoves, ranges and parts, other than electric, £43,090 (£21,797); mechanics' tools, £7,749 (£7,389); baling and binding wire, £10,103 (£6,568); fencing wire, £21,479 (£16,357); barbed wire, £2,989 (£5,953); wire netting, £13,532 (£11,149); other non-enumerated wire, £330 (£1,816); non-enumerated manufactures of iron and steel, £4,588 (£3,492); solder and brazing alloys, £1,601 (£1,203); lead bars, ingots and pigs, £26,825 (£33,637); zinc bars, rods, slabs

and ingots, £722 (£1,180); non-enumerated metals, £939 (£42); metal corks and bungs, £118 (nil); electrical heating and cooking apparatus, £151,811 (£140,629); electrical meters, £292 (£596); vacuum cleaners and floor polishers, £92 (£743); household lamps and lamp-ware, £2,446 (£2,894); cocks, taps and valves for lamps, £1,715 (£1,521); water meters, £6,818 (£4,694); radio apparatus and accessories, £103 (£1,951); aluminium wire, £425 (nil); non-enumerated wire, £556 (nil); non-enumerated metal products, £903 (£1,319); motor cars, £9,432 (£4,918); motor-car chassis, including body and upholstery material, £637,080 (£371,704); brake lining and clutch facings, £1,123 (£849); non-enumerated motor car parts and accessories, £100,897 (£130,589); motor trucks and buses, £1,031 (£50); truck and bus chassis, £201,836 (£229,973); motor truck parts and accessories, £15,146 (£14,008); bicycles, tricycles and parts thereof, £1,048 (£1,202); trailers and parts, £3,792 (nil).

MINERALS, EARTHENWARE, GLASSWARE AND CEMENT

Imports from Canada under these headings are not important. Among the commodities involved are cement roofing, which showed a decline in the value of imports from £1,139 in 1938 to £481 during the year under review. The value for porcelain insulators also decreased from £26,885 to £11,231; this item alone accounted largely for the decrease in the value of the total imports of the group. Other articles listed were: glass bottles and jars, valued at £838; non-enumerated glassware, £1,110; gypsum, £233; vitreous alumino-silicate compositions, £1,970; and abrasive cloth and paper, where there was an increase to £3,486 in 1939 from £2,479 the year before.

OILS, WAXES, RESINS, PAINTS AND VARNISHES

Imports in this group are also of secondary importance from the point of view of Canadian trade. The articles involved include:—

Fish oil and whale oil, £135 (£474); lubricating oil, £15,448 (£311); essential and perfumed vegetable oils, other than toilet preparations, £761 (£886); oxides, £121 (£108); ready-mixed paints, £9,334 (£6,004); non-enumerated dry pigments, £189 (£66); patent driers, £106 (£86); non-enumerated painters' preparations, £683 (£560); toilet soap, £2,714 (£2,260); other soap, £189 (£258).

DRUGS, CHEMICALS, AND FERTILIZERS

The total value of drugs, chemicals, and fertilizers imported from Canada is small. The principal commodities involved are:—

Acetic acid, £2,636 (£3,507); non-enumerated potassium compounds, £424 (£7,819); sodium cyanide, £25,232 (£81,065); non-enumerated sodium compounds, £1,019 (£624); calcium carbide, £125 (£220); non-enumerated calcium compounds, £43,701 (£16,626); non-enumerated chemicals, £928 (£350); animal glands, tissues and their preparations, £194 (£157); specific medicinal preparations, £748 (£729); non-enumerated drugs, £1,875 (£1,888); non-spirituous perfumery and toilet preparations, £2,780 (£1,798).

LEATHER, RUBBER, AND MANUFACTURES

Among the leather and rubber products, tire casings is the largest individual item, accounting for more than 50 per cent of the total value of imports in this group. The other leading commodities, together with their respective values for 1939 and 1938, were:—

Men's leather shoes, £306 (£181); women's leather shoes, £1,657 (£4,044); slippers, £636 (£48); infants' footwear, £1,142 (£156); canvas footwear, £11,363 (£7,813); other fabric footwear, £263 (£136); rubber footwear, £22,286 (£15,843); calf leather in the piece, £624 (£538); enamelled and patent leather, £2,452 (£1,857); other non-enumerated leather, £470 (£252); non-enumerated leather products, £135 (£460); rubber hose, £1,237 (£1,851); rubber heels, soles and tips, £1,440 (£1,254); tire casings, £78,015 (£84,818); inner tubes, £11,950 (£10,527); motorcycle tires, £257 (£122); rubber sheets and sheeting, £436 (£1,137); non-enumerated rubber products, £16,895 (£8,712).

WOOD, CANE, WICKER, AND MANUFACTURES

Wood and wood products are collectively the third largest group of imports into South Africa from Canada. Owing to a deficiency in domestic supplies of

wood, imports are heavy, and Canada is one of the more important sources of supply.

The principal individual articles imported, together with the values in 1939 and 1938, were as follows:—

Unenumerated furniture wood, £220 (£378); pine and other coniferous softwood, £51,985 (£30,328); Douglas fir, £227,887 (£134,126); unenumerated unmanufactured wood, £1,075 (£692); partly manufactured wood, such as planed, tongued and grooved for flooring and ceiling, £20,682 (£18,462); pulp building boards, £22,128 (£28,324); bee-hives and waxed foundations, £313 (£251); box shooks for fruit or dairy produce, £163 (£206); box shooks for other products, £4,058 (£23,461); brushes, except machine brushes and brooms, £7,887 (£10,735); wooden casks, empty, £276 (£739); bentwood chairs, £366 (£261); other chairs, wicker excepted, £447 (£537); unenumerated wooden furniture, £1,526 (£889); handles for picks, shovels, tools and agricultural implements, £1,283 (£1,798); doors, door and window frames, £2,692 (£161); plywood, £9,387 (£4,763); cooperage stock, \$265 (£398); veneer, £437 (£26); unenumerated wood manufactures, £5,082 (£6,100).

BOOKS, PAPER, AND STATIONERY

The leading item in the paper and stationery group is newsprint. In addition there are many miscellaneous paper and cardboard articles as follows:—

Cardboard, leatherboard and strawboard, £18,032 (£20,900); newsprint in rolls, £267,905 (£206,768); newsprint in flat, £5,741 (£6,733); other printing paper, £3,499 (£2,789); kraft wrapping paper, £13,626 (£17,217); other heavy wrapping paper, £13,264 (£7,656); tissue paper, including foil with adherent paper, £315 (£81); carbon paper, £182 (£212); transparent cellulose, £1,151 (£19); unenumerated paper and paperware, £523 (£454); books, music and newspapers, £715 (£390); ink and ink powder, £248 (£131); printing, lithographic and ruling ink, £7,995 (£4,233); other inks and ink powders, £232 (£403); paintings, etchings, picture books and pictures, £175 (£169); account, exercise, delivery and other books, £359 (£245); price lists and catalogues, £121 (£126); advertising matter including advertising samples, £3,265 (£2,573); unenumerated printed matter, £1,552 (£768); envelopes, not printed, £392 (£58); unenumerated stationery, £525 (£774); unenumerated stationery, other than paper, £271 (£340).

JEWELLERY, FANCY GOODS, AND MUSICAL INSTRUMENTS

As regards jewellery, fancy goods and musical instruments, the most important item listed as coming from Canada is toys and indoor games. The total value of imports of these in 1939 was £11,740 in comparison with £6,697 in 1938. Other products were fancy hand-bags, £494 (nil); non-enumerated fancy goods, £152 (£324); plate and plated ware, other than cutlery, £283 (£62); jewellery, £268 (£42); sporting goods, £1,047 (£635); non-enumerated tobaccoists' wares, £584 (£730).

MISCELLANEOUS

In the miscellaneous goods group Canada is credited with small quantities of scientific instruments and appliances, surgical and dental instruments, unenumerated optical goods and other non-specified articles, all of which made up the small total of £4,982.

EXPORTS TO CANADA

The value of South African exports to Canada shows considerable fluctuation from year to year, depending very largely on the volume of the corn crop, this product being the leading export commodity. During the last five years the values of exports have been as follows: 1935, £767,877; 1936, £267,179; 1937, £1,347,756; 1938, £380,226; 1939, £710,617. The foregoing figures represent direct exports to Canada only. Other South African products which are consumed in Canada are imported via the United Kingdom and the United States, and Canada is a more important market for the products of this country than the above figures indicate.

Foodstuffs account for approximately 80 per cent of the total direct exports, most of the balance being represented by spirits and mineral products.

The following table shows the articles which were exported to Canada in 1939, with comparative figures for 1938:—

South African Exports to Canada

	1938	1939
Total all products	£380,226	£710,617
Goat skins	2,108	8,591
Wool	646	11,883
Bark extract . . . . .	.....	678
Corn	151,690	420,108
Crayfish tails	40	195
Grapes . . . . .	.....	788
Dried fruit	2,925	1,610
Raisins, currants and sultanas	10,372	9,063
Candied peel	1,339	1,227
Canned pineapple	5,248	319
Fruit pulp	3,561	3,974
Sugar	139,184	139,654
Fruit juices and cordials	690	363
Brandy	17,243	13,994
Light wines	124	464
Heavy wines in wood	6,209	5,334
Heavy wines, bottled	3,682	4,267
Chrome ore	10,284	24,735
Manganese ore . . . . .	.....	2,025
Asbestos	698	983

GOVERNMENT STORES

As noted at the beginning of this report, South Africa imported government stores from Canada to the value of £439,632 in 1939. The premier article involved was heavy rails for railroad purposes, which had a value of £276,254. Other government stores, details of which are available, include non-specified railway material, £50,101; stoves and ranges, £1,811; lamps and lampware, £103; motor cars and motor-car chassis, £23,949; motor trucks and buses, £43,055; motor-truck chassis and parts, £37,089; porcelain insulators, £3,537; rubber tires, £1,084; unmanufactured lumber, £143; and unenumerated paper, £1,032.

CANADIAN TRADE WITH SOUTH-WEST AFRICA

In a report on the trade of South Africa published in *Commercial Intelligence Journal* No. 1904 (July 17, 1940), reference was made to the Mandated Territory of South-West Africa. The external trade of this area is shown separately from that of the Union of South Africa.

In 1939 one-quarter of the total imports valued at £3,396,349 consisted of foreign goods imported via the Union but regarding which no indication of origin is given. For this reason it is not possible to submit a complete summary of Canadian trade with the territory. Direct imports from Canada in 1939 are shown as having had a value of £5,428 in comparison with £5,303 in 1938. If direct imports via the Union could be measured, both of these figures would be somewhat larger.

The commodities which are listed as having been imported direct from Canada, together with their values in 1939 and 1938 were as follows:—

Wheat and flour, £691 (£471); oatmeal and rolled oats, £15,120 (£209); canned fish, £1,181 (£1,126); macaroni, vermicelli and spaghetti, £98 (£114); jams and jellies, £58 (£38); canned peas and beans, £240 (£183); other canned vegetables, £69 (£64); hosiery, £289 (£385); unenumerated machinery and parts thereof, £400 (£112); electrical machinery, £188 (£174); motor cars, £360 (£365); tire casings, £486 (£993); inner tubes, £64 (£91).

The only exports which are shown as being made from South-West Africa to Canada are karakul skins with a value of £305.

TRADE OF PERU IN 1939

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

(At current exchange, 6·50 Peruvian soles equal U.S.\$1.)

Lima, June 18, 1940.—Peru's total trade in 1939 was valued at soles 637,208,765 as compared with soles 602,287,375 in 1938. Imports were valued at S/255,787,376, some S/4,371,359 less than in 1938, whereas exports rose to S/381,421,389, an increase of S/39,292,749 or 11·8 per cent above those of 1938.

TRADE BY PRINCIPAL COUNTRIES

Over one-third of Peru's total foreign trade in 1939 was with the United States, amounting to S/220,931,075. Trade between the two countries was almost balanced, Peru's imports being valued at S/105,067,360 and exports at S/115,863,715. It should be noted, however, that a substantial portion of Peru's exports to the United States are for re-export from that country to European and other countries. Following are the principal exports in 1939 to the United States as shown in the trade return:—

	Soles		Soles
Bar copper	67,462,263	Lead concentrates	2,802,770
Sugar	5,895,038	Vanadium concentrates	2,105,534
Bar silver	5,539,855	Silver concentrates	2,030,325
Refined bismuth	3,373,703	Gold bars	1,775,665
Wool, alpaca	3,169,239	Guanco	1,101,626
Tungsten	3,017,799	Vanadium (raw)	1,059,921

The United Kingdom occupied second place among supplying countries with a total trade valued at S/96,330,660, of which imports were valued at S/21,513,428 and exports at S/74,817,232. Germany followed with a total trade valued at S/60,436,810, imports being valued at S/37,628,448 and exports at S/22,808,362.

The following table shows the relative positions, based on imports therefrom, of the leading fifteen countries trading with Peru:—

	Imports Soles	Exports Soles	Total Trade Soles
United States	105,067,360	115,863,715	220,931,075
Germany	37,628,448	22,808,362	60,436,810
United Kingdom	21,513,428	74,817,232	96,330,660
Argentina	13,852,070	22,118,374	35,970,444
France	9,069,792	21,319,263	30,389,055
Japan	8,116,479	9,110,727	17,127,206
Canada	6,847,415	4,174,255	11,021,670
British India	6,355,567	333,743	6,689,310
Belgium	5,916,607	10,165,764	16,082,371
Netherlands	5,425,266	7,512,873	12,938,139
Chile	5,421,885	29,994,673	35,416,558
Italy	5,222,531	2,528,263	7,750,794
Czecho-Slovakia	3,460,575	65,438	3,526,013
Sweden	3,327,867	3,394,062	6,721,929
Switzerland	3,154,439	813,105	3,967,544

PERUVIAN IMPORTS

In Peru's statistical returns imports and exports are divided into separate groups. Following is an analysis of the imports by commodity groups, showing the competitive positions of the several supplying countries; another report dealing with Canada's trade with Peru will be published in a later issue of the *Commercial Intelligence Journal*.

COTTON GOODS

Cotton goods of various kinds and degrees of manufacture to the value of S/14,314,577 were imported into Peru during 1939. Several countries shared in this trade, but Japan's share was the greatest, amounting to (S/4,073,452).

Great Britain followed (S/3,885,120) and was in turn succeeded by Germany (S/2,465,963), Italy (S/1,404,404), and the United States (S/1,286,725).

WOOLS, HAIRS AND FEATHERS

Imports under this heading totalled S/6,220,353 in value and consisted principally of fabrics. The United Kingdom was the principal supplier (S/2,826,335), followed in turn by Germany (S/1,492,959).

CANAMO, LINEN, JUTE AND OTHER SIMILAR FIBRES

In view of the importance of the cotton and sugar industries in Peru, quantities of jute sacking are required, with the result that the value of imports largely made up of this commodity totalled S/7,586,685. British India was the chief supplier (S/5,779,046), the United States (S/836,149) and the United Kingdom (S/440,917) being next in order.

NATURAL AND ARTIFICIAL SILK

A small but growing silk manufacturing industry principally accounted for imports valued at S/4,455,768. Germany was the chief source of supply, with goods valued at S/993,516. Other principal suppliers, in order of importance were: France (S/721,610), Italy (S/637,927), United States (S/614,943), Netherlands (S/469,616), and Switzerland (S/444,820).

FURS

Goods imported under this section were valued at S/1,830,106. In this group, too, Germany was the principal supplier (S/501,492), others of importance being the United States (S/420,685), France (S/411,793), and Canada (S/121,877).

FURNITURE

Furniture imports into Peru are almost negligible with the exception of some steel office furniture and equipment. Total imports were valued at S/688,418. The United States was the principal supplier (S/485,335), followed by Germany (S/67,776), and the United Kingdom (S/63,410).

METALS AND JEWELLERY

The value of imports under this heading, the third largest grouping, amounted to S/32,702,315. The United States obtained the largest share in this particular group (S/16,432,161); Germany followed with S/8,997,629, and was in turn succeeded by the United Kingdom (S/1,928,381), and Belgium (S/1,877,358).

STONES, EARTHS, CERAMICS AND CRYSTAL

Total import trade in the above group was valued at S/7,153,222. Germany was the principal supplier (S/2,301,560), while the United States was credited with S/1,971,265. These two countries were followed by Japan (S/830,698), the United Kingdom (S/530,351), and Belgium (S/363,626).

LUMBER, CANE, VEGETABLE AND STRAW FIBRES

Lumber and lumber products form the principal imports in this group, with a total value amounting to S/8,935,087. Imports from the United States, consisting chiefly of lead, rough and merchantable lumber, were valued at S/5,274,292. Canada followed with shipments, principally box shooks, valued at S/1,701,336. Imports from Chile were next in importance (S/672,956), and were in turn succeeded by those from Germany (S/269,518).

BARKS, COLOURINGS, NON-EDIBLE OILS, BITUMINS AND GUMS

Goods to the value of S/16,548,198 were imported under this heading. Over half these imports were from the United States (S/8,388,330). Canada was the next principal source of supply (S/2,212,747) and was followed by Germany (S/1,747,923), the United Kingdom (S/1,437,807), and Argentina (S/786,209).

LIVE ANIMALS

Imports of live animals were relatively small (S/1,507,163), and consisted principally of cattle from Nicaragua (S/1,023,535), Chile (S/229,760), and Argentina (S/153,969).

STATIONERY, PAPERS AND CARDBOARDS

Total imports under this heading were valued at S/10,547,742. The United States was the principal source of supply (S/3,958,372), followed by Germany (S/2,236,057), Sweden (S/1,480,590), Norway (S/876,879), and Canada (S/315,108).

NAVAL STORES, TOOLS, MACHINERY AND VEHICLES

Goods to the value of S/56,118,038 were imported under the above heading, which constituted the largest single group. Imports were chiefly from the United States (S/40,346,507), Germany (S/6,376,883), and the United Kingdom (S/5,144,175). Other suppliers were Switzerland (S/795,224), Canada (S/726,315), and Belgium (S/524,109).

MUSIC

Total imports in this group were valued at S/400,123. The United States was the principal supplier (S/121,716), followed by Germany (S/99,428) and France (S/50,587).

ARMS, MUNITIONS AND EXPLOSIVES

Since the mining industry is an important factor in the national economy of Peru, imports under this heading, chiefly explosives, were valued at S/5,011,995. Arrivals from the United States were valued at S/3,397,680 and from Germany at S/894,382. Smaller imports originated in Canada, Norway, and Belgium.

ELECTRICAL ARTICLES AND APPARATUS

The United States was the chief supplier in this group, imports from that country being valued at S/5,006,004 out of a total importation valued at S/9,788,946. The next principal suppliers were Germany (S/1,686,329), Belgium (S/863,327), Netherlands (S/451,027), and Canada (S/398,455).

RECREATION AND SPORTS GOODS

Imports were valued at S/2,478,210. The United States was the principal supplier (S/906,708), followed by Germany (S/654,199), Japan (S/306,598), and the United Kingdom (S/211,419).

BEVERAGES AND LIQUORS

The United Kingdom was the leading supplier in this group. Imports were principally Scotch whiskies, and were valued at S/872,006 out of a total importation of S/1,284,055. France supplied to the value of S/198,679, followed by the United States (S/35,588) and Canada (S/32,577).

FOODSTUFFS AND SPECIALTIES

Included in the above are Peruvian imports of wheat which originated almost entirely in Argentina; wheat is the largest single commodity imported into Peru. Total imports in this group were valued at S/32,328,713. Argentina

was the principal supplier (S/12,497,230), others of importance being the United States (S/3,328,784), Siam, supplying rice (S/3,108,027), Netherlands, supplying condensed and evaporated milk (S/2,947,891), Chile (S/2,260,082), and Ecuador (S/1,687,435).

CHEMICAL, PHARMACEUTICAL AND BIOLOGICAL PRODUCTS

The total value of imports amounted to S/20,460,190. Other suppliers of importance were the United States (S/9,316,845), Germany (S/5,321,321), the United Kingdom (S/1,597,375), and France (S/1,159,115).

PERUVIAN EXPORTS

Peruvian exports, the total value of which was S/381,421,389, were distributed among the following principal countries:—

Soles		Soles	
United States	115,863,715	Belgium	10,165,764
United Kingdom	74,817,232	Japan	9,110,727
Chile	29,994,673	Uruguay	8,653,425
Germany	22,808,362	Netherlands	7,512,873
Argentina	22,118,374	Bolivia	4,996,983
France	21,319,263	Canada	4,174,255
Brazil	18,259,945		

Following is a list of Peru's principal exports, values of which exceeded one million soles in 1939, with comparative figures for 1938:—

	1939 Soles	1938 Soles
Cotton	75,191,200	60,567,137
Copper bars with gold and silver	67,462,263	57,889,997
Petroleum, crude	56,530,334	73,499,240
Petroleum derivatives	54,327,117	42,438,017
Sugar	41,020,360	24,947,623
Wool	14,430,223	11,071,417
Gold bars below 0.850 silver	13,706,238	11,749,002
Mineral concentrates	13,550,085	14,516,015
Minerals, raw	8,409,570	10,171,538
Gold bars, above 0.850 silver	4,907,164	6,421,430
Cotton derivatives	3,932,123	4,058,765
Bismuth, refined, in bars	3,686,584	1,564,927
Guano	3,621,403	2,821,273
Lead, electrolytic, in bars	3,577,337	4,978,856
Hides and skins	3,167,089	3,135,083
Silver, in bars, below 0.850 gold	2,445,498	2,827,212
Coffee	2,358,955	1,736,493
Cyanides of gold and silver	2,095,363	1,631,718
Barbasco or cube, raw	1,076,390	699,121

PRINCIPAL PERUVIAN IMPORTS

The following table shows the principal items imported into Peru in 1939 to a value in excess of S/500,000 with comparative figures for 1938:—

	1939 Soles	1938 Soles
Wheat	11,977,003	15,144,424
Repairs for machines of all kinds	8,990,332	8,114,522
Machines for other industries, unspecified uses and arts and crafts	6,995,129	10,739,790
Iron and steel sheets, plates, angles, beams, not perforated	6,680,328	4,441,300
Sacks, empty, new or used	6,142,277	3,389,848
Trucks, auto	6,125,305	7,705,254
Automobiles, passenger	5,955,178	6,230,553
Machinery for agricultural, dairying and mining development	5,751,810	6,907,612
Tubing, including connections	4,739,868	3,806,740
Lumber, sawn in boards	4,543,811	5,346,788
Tires and tubes, bicycle, automobile and truck	4,464,546	2,846,881
Rice, hulled	4,248,298	6,580,280

	1939 Soles	1938 Soles
Milk, evaporated, condensed, and in powder	3,536,963	3,238,121
Dynamite and other explosives	3,378,857	2,440,010
Repair parts for automobiles, trucks, motor-bicycles, bicycles, etc.	3,371,406	2,576,339
Tin plate, plain, not painted or varnished	3,128,117	3,026,130
Fertilizers for agriculture	2,683,142	1,835,505
Yarn, silk, in the thread, for manufacturing hosiery and fabrics	2,399,745	2,148,829
Oils, petroleum, lubricant, in packages over 15 kilos . . .	2,327,483	1,651,066
Silk, in the thread, for manufacturing hosiery and fabrics, artificial	2,301,545	2,148,829
Box shoos	2,243,504	1,593,718
Machinery directly concerning agriculture, mining and naval sources	2,189,520	2,158,775
Fabrics, stamped, up to 40 threads and from 70 to 200 grs. per sq. metre	1,873,458	1,913,767
Fabrics, dyed, up to 40 threads and from 70 to 200 grs. per sq. metre	1,816,964	2,629,537
Insecticides and fungicides	1,804,644	1,013,612
Wireless transmitting and receiving apparatus	1,760,894	2,155,937
Tools, not specified, for agricultural zootechnics and mining Newsprint	1,678,053	1,911,212
Railway freight cars, handcars, and repair parts	1,670,506	1,290,762
Iron in sheets, painted or galvanized, etc.	1,509,267	1,044,740
Paraffin, industrial	1,505,919	962,787
Colourings derived from a tar base	1,447,456	1,356,877
Tools for arts and crafts of all kinds n.e.s.	1,341,302	1,444,885
Aeroplanes, accessories and repairs	1,269,447	1,244,171
Typewriting machines and repair parts	1,266,004	2,674,017
Sewing machines, hand or pedal	1,259,901	1,346,927
Cotton thread for sewing, etc.	1,217,420	1,053,137
Cyanide of sodium for the mining industries	1,188,492	875,497
Fabrics of wool, over 15 threads, and from 185 grs. to 350 grs. per square metre	1,150,587	845,750
Fabrics, cotton, dyed, in whole or in part, up to 40 threads and over 350 grs. per square metre	1,122,078	1,415,172
Wire, of iron or steel, galvanized, over $\frac{1}{2}$ mm.	1,109,953	1,971,920
Portland cement, ordinary and clinker	1,092,529	935,943
Cattle	1,047,644	832,970
Oxide of lead	1,031,441	320,398
Barley, toasted or germinated	989,389	21,780
Fresh fruits of all kinds	983,594	884,501
Auto cars, locomotives and locomobiles	946,156	1,284,990
Leather of all kinds, dyed, painted, etc.	936,073	859,519
Paper in rolls	926,548	1,207,047
Tea in packages up to 3 kilos	860,544	706,681
Whisky, bottled	846,914	849,717
Tobacco	808,299	773,775
Paints, prepared in oil	783,787	394,605
Hosiery and stockings of cotton	774,381	762,392
Hygienic apparatus, porcelain	765,961	1,324,389
Films, sound or silent	758,180	747,605
Matches	744,881	681,165
Hosiery and stockings with more than 15 per cent mercer- ization in the body of the fabric	734,442	606,452
Piping and tubing of iron for water and sewage and connections	729,108	1,363,426
Wire cable and rope of iron or steel	716,502	754,324
Railway rails and accessories, including turntables	715,505	588,602
Belting of all kinds, transmission and connections, etc. . .	710,817	1,455,885
Central station switch boards and connections	710,324	592,506
Fabrics over 16 threads and up to 185 grs. per square metre	686,594	536,197
Rope over 9 mm.	679,444	610,490
Nails over 25 mm. long	673,460	638,014
Pastes, creams, powders and soaps, dental	670,384	439,218
Fabrics, base of all kinds	666,197	549,405
Caustic soda for industrial use	653,882	701,078
Foods for children and invalids	651,049	311,556
Transformers	639,939	421,829
Tanning barks, etc.	635,441	964,310
Packings of all kinds	632,105	482,952
Fabrics, crude, of any weight, up to 10 threads	619,556	427,438
Printing papers	612,375	555,257
Om nibuses	590,498	695,356
Articles of forged iron	588,322	2,280,595
Refrigerators, electric, and repair parts	587,338	100,338
	586,279	529,321

Principal Peruvian Imports—Concluded

	1939 Soles	1938 Soles
Hulled oats	565,882	411,238
Electrical accessories, such as current breakers, intercep- tors, etc.	563,249	694,439
Tin in bars or sheets.	559,123	274,229
Confectionery	554,230	.....
Specialties in tablet	551,765	670,665
Hosiery of natural silk	547,390	608,985
Chinaware, decorated or not	545,232	953,322
Leaders of all kinds for mines	540,134	387,095
Yeast	527,713	354,779
Batteries up to 30 kilos, etc.	524,246	434,093
Quinine, its salts, and other preparations, etc.	518,337	457,615
Hygienic apparatus of iron	514,441	381,940
Sodium carbonate, pure or impure	504,935	297,272

WHEAT AND FLOUR SITUATION IN JAPAN, JANUARY TO MARCH

C. M. CROFT, COMMERCIAL SECRETARY

Tokyo, July 9, 1940.—A survey has been conducted by the Department of Agriculture and Forestry of Japan into farming conditions in 38 out of 46 prefectures in Japan proper respecting barley, naked barley and wheat during the current season. This survey reveals that the index of production of cereals in localities under survey as at April 20, 1940, on the basis of average yield for the past five years equals 100, was 93 for barley, 94 for naked barley and 94 for wheat. This decline in indices of production is said to be due chiefly to a short supply of fertilizers, while some slight effect is attributed to ravages of noxious insects and diseases.

The farming area under barley, naked barley and wheat during the present year in the localities included in the survey, as compared with that for last year, showed an increase of 198,761 acres for wheat as against a decrease of 28,421 acres for barley and of 13,951 acres for naked barley. It is generally considered that, if weather conditions remain favourable, crop returns of cereals for 1940 will be slightly below the normal yield for past years.

PRICE MOVEMENTS

Owing to the price control over wheat which has been enforced by the Government since the middle of February, 1940, the wheat market has shown no change. The general average of indices compiled by the Bank of Japan for average wholesale prices in Tokyo for home-grown wheat and imported wheat for the first three months of this year showed, for the former 381 in January, 370 in February and 370 in March, and for the latter 143 in January, 148 in February and 150 in March.

An average of indices of home-grown wheat for the first quarter of this year, as compared with the similar period of last year, showed an increase of 4 per cent, while for imported wheat, there was a sharp rise of nearly 39 per cent.

According to a well-known journal in Tokyo, quotations for the standard grade of home-grown wheat for the three-month period of 1940 remained at 13.15 yen per 100 kin (132 pounds), while c.i.f. prices for Canadian wheat advanced from 9.12 yen per 100 kin in January to 9.28 yen in February, declining slightly in March to 9.23 yen. When compared with the same period of 1938, the current prices for Canadian wheat, of which no imports into Japan are recorded, are up by approximately 50 per cent, while those for home-grown wheat advanced by only 5 per cent. The current quotations for domestic and Canadian wheat are as follows:—

Domestic Improved No. 3

	1940		1939	
	High	Low	High	Low
January	13.50	13.15	12.45	11.60
February	13.15	13.15	12.90	11.60
March	13.15	13.15	12.85	12.60

Canadian Northern No. 3

	1940		1939	
	High	Low	High	Low
January	9.12	8.02	6.11	5.93
February	9.28	8.88	6.04	5.93
March	9.23	8.77	5.97	5.59

NOTE.—Prices are quoted per 100 kin (132 pounds). Quotations for Canadian wheat are c.i.f. prices. No prices are quoted for United States and Australian wheat.

IMPORTS OF WHEAT

Imports of wheat into Japan during the first quarter of this year, as compared with the corresponding period of the previous year, showed a large increase and amounted to 1,343,000 bushels valued at about 4,148,000 yen. This heavy increase in imports, as stated in a previous report, was due to shipments under a contract for 200,000 tons from Australia on a long-term credit arrangement.

As will be noted from the appended table of wheat imports, the volume of shipments from Australia during the period under review represented 98 per cent of the total imports into Japan. Imports from China for the first three months of 1940, as against the same period of 1939, were down by 19.2 per cent in quantity and 13.7 per cent in value, and those from other countries (practically all from Iraq, according to past records) decreased by 73.6 per cent in quantity and by 79.5 per cent in value as shown in the following table:—

Japan's Imports of Wheat

	Jan.-Mar., 1940		Jan.-Mar., 1939	
	Bushels	Yen	Bushels	Yen
Australia	1,318,528	4,053,407	.....	.....
China	19,576	83,203	24,242	96,386
Canada . . . . .	.....	.....	31	99
Others	4,915	11,234	18,658	54,770
Total	1,343,019	4,147,844	42,931	151,255

WHEAT FLOUR

The wheat-flour milling industry of Japan has enjoyed a period of increased activity during the first quarter of 1940, due largely to increased shipments to the yen-bloc countries but also to increased consumption by the local confectionery and baking industries. Furthermore the improvement in the situation has resulted to some extent from technical advances in the manufacture of flour and from mergers of some of the smaller milling companies with larger organizations. Export control of wheat flour and import control of wheat have been exercised by the Japan Wheat Flour Export Association and by the Japanese National Millers Association respectively.

No accurate official statistics are available of the number of firms engaged at present in the flour-milling industry; government statistics show that at the end of 1937 there were 624 such firms with a total subscribed capital of over 70 million yen. It is noteworthy that unofficial figures for 1939 indicate that the authorized capital of the five leading milling companies totalled nearly 50 million yen, of which 46.3 per cent represented the subscribed capital of the Nisshin Flour Milling Company and 33.2 per cent the capital of the Nippon Flour Milling Company. These figures indicate the predominant position

in the trade occupied by these two firms, the first-mentioned operating in Japan proper 14 mills with a capacity of 23,000 barrels per day and the other (Nippon Flour Milling Company) 13 mills with an output of 19,500 barrels per day in Japan proper and Chosen.

PRODUCTION

The latest detailed factory statistics are for 1937 and show a production of wheat flour of nearly 800,000 metric tons (of 2,204 pounds) valued at upwards of 163 million yen. A special investigation by the Department of Commerce and Industry indicated a production of 41,889,000 sacks of 49 pounds each in 1939 as compared with 41,971,000 sacks in 1938 and 34,519,000 sacks in 1937. As the total capacity of the flour mills is estimated at 60,000 barrels per day, the actual output is only about one-half of the production capacity. Curtailment in production is believed to be due in no small measure to restriction of the importation of wheat as a result of the foreign exchange control regulations.

DOMESTIC CONSUMPTION

The greatest consumption of wheat flour in Japan is for the manufacture of a special type of macaroni. An investigation made recently by the *Oriental Economist* into the various uses of wheat flour, both before and since the outbreak of hostilities in China, shows that there have been some changes in the consumption of this product. The survey indicates that 32 per cent is now used for the manufacture of macaroni as compared with 43 per cent before the China incident, and 30 per cent is used for confectionery as against 28 per cent formerly. Bread-making now absorbs 23 per cent of the flour used as compared with 12 per cent three years ago, 8 per cent is used for seasoning and cooking materials as against 7 per cent, while unspecified uses account for 7 per cent now as compared with 10 per cent formerly.

In connection with the increased use of wheat flour for the production of macaroni, vermicelli and similar products, there has been a marked expansion in the exports of these commodities. Shipments during 1939 amounted to 442,317 cwts. (7,773,434 yen) as compared with 21,586 cwts. (321,847 yen) in 1938 and 9,934 cwts. (152,736 yen) in 1937. The exports went largely to Kwantung Leased Territory, Manchuria, China, Philippine Islands, the United States, and Hawaii.

EXPORTS

Exports of wheat flour from Japan during the first three months of 1940 totalled 1,390,703 sacks valued at 8,107,451 yen as against 1,179,106 sacks worth 6,066,335 yen for the first quarter of 1939, an increase of 17·9 per cent in volume and 33·6 per cent in value. The following table shows that the exports were almost entirely to yen-bloc countries:—

Japan's Exports of Wheat Flour

	Jan.-Mar., 1940		Jan.-Mar., 1939	
	Sacks	Yen	Sacks	Yen
China	820,789	5,179,110	263,795	1,180,677
Kwantung Leased Territory	345,225	2,088,661	912,962	4,874,639
Manchuria	224,689	839,675	2,349	11,019
Others . . . . .	.....	5	.....	.....
Total	1,390,703	8,107,451	1,179,106	6,066,335

IMPORTS

Imports of wheat flour into Japan during the first quarter of 1940 amounted to 111,335 sacks valued at 491,217 yen as against 224 sacks to the value of 977 yen in the corresponding period of 1939. Official figures of imports by countries

of origin are not available but, according to information published of arrivals of goods, some 111,174 sacks of Canadian flour were imported in the period January to March of this year; it is probable that Canada supplied most if not all of the flour imported. This flour was for the manufacture of a flavouring essence destined for export markets.

OUTLOOK FOR THE INDUSTRY

The outlook for the Japanese domestic wheat-flour industry is not regarded as bright by the local millers. Maximum selling prices for flour, established by the Government in February, strictly limit the profits by the manufacturers. The price for the standard brands of flour remains at 5.58 yen per sack of 49 pounds. According to the Bank of Japan, the average of index numbers for monthly wholesale prices in Tokyo for domestic wheat flour was 335 for March, 337 for February and 341 for January of this year. These show a decline, although they are above the averages for 1939 of 318 for March and February, and 312 for January. As prices in general have shown a rising tendency, the establishment of maximum prices for flour have directed the attention of flour millers to other quarters, and it is reported that a number plan or have actually completed arrangements to manufacture flour in Manchuria and China.

The future for imported wheat is still obscure, but it is considered probable that imports of flour for the manufacture of goods for export may continue.

CONTROL OF EXPORTS FROM CANADA

CHEESE

According to an order of the Dairy Products Board, issued on July 11 under the authority conferred by the regulations established by Order in Council P.C. 2138, no company or individual may export cheese outside of Canada without permission from the Board. All applications for permission to export cheese should be on Foreign Exchange Control Board Form B (obtainable from any bank or customs collectors), and must contain, in addition to the information required on Form B, information as to the kind, style and grade of cheese. All applications must be forwarded in quintuplicate direct to the Dairy Products Board, Ottawa. Cheese shipped to the United Kingdom by licensed exporters under instruction of the Dairy Products Board are not included in this order.

On July 23 the Dairy Products Board announced that the export of cheddar cheese from Canada to non-Empire countries is prohibited. This prohibition applies to cheese made on or after April 1, 1940, but exemption will be made in the case of bona fide sales of cheese previous to the issue of the Board's order of July 11.

On July 30 the Dairy Products Board announced the amendment of the regulations respecting the exportation of cheese to provide that casual exportation of cheese not exceeding 50 pounds in any one shipment may be permitted without a licence or permit approved by or on behalf of the Board.

LEATHER, HIDES AND SKINS

With reference to the article in *Commercial Intelligence Journal* No. 1903 (July 20, 1940), page 104, the regulations respecting the exportation from Canada of leather, hides and skins, other than fur skins, are amended to provide that casual exportations of leather, hides and skins, other than fur skins, not exceeding \$25 in value in any one shipment, may be permitted without a licence or permit approved by or on behalf of the Hides and Leather Administrator.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

IMPORT LICENSING REGULATIONS

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in London, writes that the Import Licensing Department of the Board of Trade notified importers on July 17, that, in order that estimates of shipping requirements can be drawn up, it is necessary that the Department shall receive as accurate information as can be given of the ports and dates at which manufactured goods licensed for importation into this country will be ready for shipment, together with the weights involved. It is explained that it is very important that the Department should be provided with this information as far ahead of the proposed shipping dates as possible. For this purpose the present forms of application for import licences contain questions as to the weight of the goods and the proposed date of shipment, and importers should ensure that these questions are carefully answered. In future it may be necessary in some cases to defer the issue of a licence until this information has been received. The issue of a licence implies no guarantee that shipping will be available at the date specified by the importer, but the preparation of the general program of shipping for imports will be much facilitated if early and reliable advice of the weights of the goods concerned and of the proposed shipping dates is forthcoming. It is in the interests of importers as a whole that individual applicants should answer the questions concerned to the best of their ability.

The Import Licensing Department appreciate that some applications for licences may cover proposed shipments over a period. In these cases the date at which it is intended that shipments shall commence and the monthly rate of shipments should be given.

Ireland

NEW IMPORT QUOTAS FOR COTTON PIECE-GOODS

With reference to the article in *Commercial Intelligence Journal* No. 1905 (August 3, 1940), page 193, respecting quota restrictions applicable to woven piece-goods containing more than 60 per cent by weight of cotton and not exceeding 10 ounces in weight per square yard on importation into Ireland, Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that by orders of the Government of Eire, the first quotas have been fixed for the period August 7 to October 31, 1940, as follows:—

Cotton piece-goods for bed sheets, ticks or mattresses, dungarees, and cotton piece-goods without pattern in colour for shirts and pyjamas, 50,000 square yards. Of this total 49,000 square yards must come from the United Kingdom or Canada.

Cotton piece-goods which are terry, 90,000 square yards. Of this amount 89,000 square yards are allocated to the United Kingdom or Canada.

Cotton piece-goods with woven pattern in colour for shirts and pyjamas, 200,000 square yards; 150,000 square yards to come from the United Kingdom or Canada.

Other cotton piece-goods, 9,000,000 square yards; 8,900,000 square yards allocated to United Kingdom or Canada.

Australia

LICENSING PERIOD FOR THREE MONTHS ENDING SEPTEMBER

With reference to the article in *Commercial Intelligence Journal* No. 1901 (July 6, 1940), page 32, the following additional information has been obtained

from the Australian Customs Representative in New York, respecting the Australian import licensing system for the months of July, August and September:

ADDED TO "NO LICENCE" CATEGORY

Whisky in bulk; spirits not separately named in the tariff; sparkling wines; zinc blocks for marine boilers; side delivery rakes and tedders (not including replacement parts); milking machines (not including replacement parts); laundry machines and appliances, not being of the type ordinarily used in the household, viz.—automatic collar blocking machines, starching machines (other than collar starching machines), shirt folding machines, cuff scrubbers, marking machines, collar rounding machines, collar turners of the machine type, automatic neck-band presses, tab-sewing machines, starch mixing machines, ironing machines of value exceeding £1,300 each, washing machines of value exceeding £600 each; electric wire fence controller, being apparatus designed for taking electricity from its source and converting it into current suitable for charging wires of electric fences; totally enclosed direct current mill-type electric motors up to and including 75 h.p.; smoothing irons other than electric; butchers' knives and cooks' knives; graphite or plumbago; whitening and paris white; crayons and pastels, including solid lead pencils; gelatine; unwrought granite and marble; veneers of wood; unset cultured pearls; imitation reconstructed and synthetic precious stones and pearls, unset (not being beads); opera glasses; field and marine glasses valued for duty at not over 15s. each; oil and water colour paintings.

ADDED TO RESTRICTIONS BY 50 PER CENT

Combined tagmaking and printing machines; electric hair clippers (other than electric shavers) but not including replacement parts; electrically driven fruit juice extractors and spare bowls therefor; printers' tools; spades; garden, pruning and tinsmiths' shears; French chalk and other preparations of steatite; insecticides and disinfectants not separately named in the tariff; wicker, bamboo and cane manufactures not separately named in the tariff; crust or rough tanned goat skins, Persian sheep skins and skivers, hog skins; hose, other than rubber hose up to and including 1 inch internal diameter.

ADDED TO RESTRICTIONS BY 25 PER CENT

Certain piece-goods of silk or containing silk; dynamos and generators incorporated in or of the type used in lighting sets for bicycles; lamps incorporated in or of the type used in dynamo lighting sets for bicycles; pudding basins and lipped bowls of brownware, china-ware, earthenware including semi-vitrified earthenware, parianware, porcelainware and stoneware.

CHANGES IN IMPORT REGULATIONS OF INTEREST TO CANADA

Mr. R. P. Bower, Assistant Trade Commissioner at Sydney, writing under date June 6, states that the Customs (Import Licensing) Regulations in Australia are constantly being modified to accommodate changing conditions, and gives the following summary of recent changes of interest to Canadian exporters.

Essential Drugs.—In view of the shortage of certain drugs, available only, or largely, from non-sterling sources, it has been decided to authorize the issue of licences to *druggists only*, as and when required and irrespective of previous importations, for the importation of a large range of drugs. A complete list of the drugs included in this regulation is on file at the Department of Trade and Commerce, and is available to interested firms.

Cotton, Silk and Art Silk Piece-Goods.—Certain goods under this heading are henceforth to be regarded as seasonal, and licences may be issued to individual importers up to 50 per cent by value of their base year imports. The classifications affected are: cotton piece-goods, bleached, dyed or coloured, and silk and artificial silk piece-goods covered by tariff items 105(A) (1) (a) (2), 105(A) (1) (a) (3), 105(D) (1), 105(D) (2) (a) and (b).

Replacement Parts for Agricultural Implements.—*Commercial Intelligence Journal* No. 1890 (April 20, 1940), page 605, contained a report dealing with the formation of a "Bank" system to cover the importation of motor vehicle replacement parts. A similar system now operates on replacement parts for agricultural implements. A list of the commodities covered by this regulation is available at the Department of Trade and Commerce for inspection by interested firms.

Parts of certain agricultural implements were previously given a "D" rating and hence were prohibited imports from non-sterling countries. Parts of the following machines and implements are now to be given a "C" rating:—

Tariff Item—

161(A).—Agricultural, horticultural and viticultural machinery and implements, n.e.i.; cane loaders, cane unloaders and cane harvesters; channel-making graders; garden and field spraying machines not including spray pumps operated by hand or foot; garden and field rollers and machines; lawn sweepers; road scoops and scrapers; scoops; stump extractors; fibre scutching machines; milking machines; potato raisers or diggers; potato sorters; root cutters, pulpers and graters; straw stackers; sub-surface packers.

162.—Chaffcutters and horse gears; corn shellers; corn huskers; cultivators, n.e.i.; harrows, ploughs, other; plough shares; plough mould-boards; scarifiers.

Fruit Pectin.—For the purposes of the regulations the value of base-period importations of fruit pectin may be doubled, and licences issued accordingly. Importers may order up to 100 per cent of their allotment at any one time.

Motor Vehicle Replacement Parts.—In *Commercial Intelligence Journal* No. 1890 (April 20, 1940) page 605, as already noted, there was a description of the "grouping" or "bank" system adopted to facilitate the importation of motor vehicle replacement parts. Since the first of April a number of the items included in the grouping system have been subjected to a percentage reduction in the basic value of imports. Filament lamps, 6 volt and over, lamps n.e.i.; radiator ornaments, clocks n.e.i., rubber pads, rubber manufactures n.e.i., and flexible coupling discs have been reduced by 50 per cent and these reductions must apply to future imports irrespective of the grouping system.

Where motor vehicle replacement parts are delivered for defence purposes, a licence to import an equivalent amount will be issued to the supplying firms without deduction from their allotment.

Replacement Parts for Cash Registers.—A grouping system similar to that operating on motor vehicle replacement parts has been established to cover cash register replacement parts, a "C" class licence to be issued for all such parts irrespective of previous category classification. A list of the parts affected is available at the Department of Trade and Commerce, and may be seen upon application.

Newsprint.—As Australian imports of newsprint require approximately \$10,000,000 of non-sterling exchange per annum, the authorities have been endeavouring for some time to evolve a scheme that would produce a reduction in imports without unduly hampering local publishers. The scheme evolved removes newsprint from the usual provisions of the Import Licensing Regulations, and provides for a quantitative instead of a monetary reduction in imports.

Under the scheme, which becomes operative on July 1, 1940, a maximum quantity of newsprint which may be used in the production of each publication will be determined, and under no circumstances will the use of any greater quantity of newsprint in the production of that publication be permitted. The quantity of newsprint which may be used in the production of each publication will be based on the actual quantity consumed in the year ended June 30, 1939, less certain percentage reductions. The quantities so determined will be subject to adjustment to take care of fluctuations in circulations as compared with average circulation figures in the base year. [The percentage reductions which will be applied to ascertain the basic quantities were published in *Commercial Intelligence Journal* No. 1904 (July 27, 1940) page 152.]

The basic tonnage of newsprint allowed for each publication will be increased or decreased according to the rise or fall in current circulation as compared with the average circulation figure during the year 1938-1939, except that no reduction in tonnage will be made for the first 5 per cent fall in circulation.

The stocks held by individual publishers on June 30, 1940, will be taken into account and any quantity used from stock subsequent to that date will be debited against future allocations for the publication in which used, and will automatically reduce the quantity of newsprint for which import licences will be issued for that publication.

Those newspapers which, on June 30, 1940, have less newsprint on hand than a six months' supply will be permitted, on application, to increase the stock held on that date to the equivalent of six months' requirements for each publication.

All newsprint received by a newspaper proprietor on or after July 1, 1940, will be debited against allocations. This course will apply irrespective of the source of supply of the newsprint, that is whether from:—

- (a) Licences held by the newspaper proprietor;
- (b) Licences held by an importer, not being a newspaper proprietor;
- (c) Stocks held by an importer or any other party, including other newspaper proprietors;
- (d) Australian production, when undertaken; or
- (e) From any other source.

In future licences will only be issued to actual proprietors of publishing firms, and not to import houses. Newsprint allocations established for one particular publication cannot be used in the production of another publication even though both are issued by the one proprietor. Neither will favourable consideration be given to any requests to increase the size of publications provided circulation is arbitrarily reduced. Immediately on the cessation of production of any publication, import allocations held by that publication will automatically cease.

Publishers are expected to start immediately tapering off their consumption so that the decrease in the size of the papers will be gradual. The basis outlined will remain in force for six months from July 1, and will be examined before that time in the light of the existing position.

Although allocations will be determined quarterly, licences will not necessarily be limited to one quarter's allocations, but may be extended, upon application, to cover longer periods should shipping or other difficulties render this course necessary.

The term "newsprint" covers all paper required for publications covered by the system, irrespective of its tariff classification. It includes, therefore, glazed and unglazed, coated and uncoated paper and imitation parchment, and writing and typewriting paper irrespective of size or shape, provided such paper is used in the production of publications subject to rationing.

The Government will give consideration to publications which have commenced operations since the base year, and therefore have no quota.

Sardines and Sild.—Firms which imported sardines and sild from the United Kingdom during the base year, and which are now unable to obtain supplies from that source, are to be given licences to import from non-sterling sources subject to the same conditions as apply to regular importers from those sources, and provided that payment for such purchases is made in "sterling". This concession applies only to such fish entering Australia under Tariff Item 51 (C) (3) (b).

Canned Salmon.—In view of the seasonal nature of canned salmon sales it has been decided that importers may carry forward their unabsorbed allocations for salmon covered by Tariff Item 51 (C) (1) from the first and subsequent licensing periods until July or August (the fourth licensing period).

Felt for Use in Manufacture of Roofing Felts.—To relieve a temporary shortage in the supplies of this material, importers will be allowed as from April 1, 1940, to increase their base year figures by 25 per cent. This concession will apply only until the present unsatisfactory stock position has been improved.

ARTICLES PROVISIONALLY EXEMPTED

In addition to the foregoing modifications, the following products have been exempted from the provisions of the regulations for the time being: petroleum jelly; rosin; dextrose; x-ray tubes, including rectifying valves and insulating cables; pine tar oil for use in the manufacture of rubber goods; milling or bolting silk; fire hose; and activated clay for reclaiming used lubricating oils. None of these exceptions will be extended if sterling or local supplies subsequently become available in suitable quantities.

A further concession gives permission to importers to group certain tariff items together for purposes of determining base-year allocations. This concession affects spectacle frames, certain classes of timber, and cover paper and pressings. Details are available at the Department of Trade and Commerce, Ottawa.

VALIDITY OF LICENCES EXTENDED

When first introduced the Import Licensing Regulations provided that licences to cover imports from European countries would have a validity of eight months from date of issue, and from all other countries only six months. As announced in *Commercial Intelligence Journal* No. 1898 (June 15, 1940), page 960, the regulations have now been altered to grant eight months' validity to all licences, irrespective of the countries covered by them. This concession does not apply to goods ordered prior to December 1, 1939, nor, except in special cases, to licences covering goods ordered between December 1, 1939, and the introduction of this amendment (June 4, 1940).

PROCEDURE WHERE LICENCES ISSUED TO COUNTRIES NOW UNABLE TO EXPORT

Where it is clear that there is no likelihood of orders placed in certain European countries being completed, importers may return their licences for cancellation, and when a new source of supply has been located, a licence, to an amount equivalent in value to those surrendered, will be issued. Affected firms were given until June 30 to make their cancellations and until July 31 to locate alternative sources of supply. As Norway, Sweden, Holland and Belgium are already unable to make deliveries to this country, it is expected that there will be a marked increase in the demand for Canadian connections.

Bahamas

PREFERENCE REGULATIONS FOR TRANSHIPPED GOODS

Mr. F. L. Casserly, Canadian Trade Commissioner's Office, Jamaica, writes that the preferential tariff regulations of the Bahamas as regards Canadian goods transhipped at a foreign port en route to Bahamas have been modified in a manner similar to that set forth in *Commercial Intelligence Journal* No. 1890 (April 20, 1940), page 609, with reference to the corresponding regulations of Barbados.

United States

EXPORT CONTROL OF ADDITIONAL PRODUCTS

With reference to the article in *Commercial Intelligence Journal* No. 1904 (July 27, 1940), page 155, concerning export control of various commodities from the United States, a further Presidential Proclamation of July 26 adds the

following commodities to the list of goods which shall not be exported from the United States except when authorized in each case by a licence from the Secretary of State:—

A. Petroleum Products.—(a) Aviation Motor Fuel, i.e. high octane gasolines, hydrocarbons, and hydrocarbon mixtures (including crude oils) boiling between 75° and 350° F. which with the addition of tetraethyl lead up to a total content of 3 c.c. per gallon will exceed 87 octane number by the A.S.T.M. Knock Test Method; or any material from which by commercial distillation there can be separated more than 3 per cent of such gasoline, hydrocarbon or hydrocarbon mixture. (b) Aviation Lubricating Oil, i.e. any lubricating oil of 95 or more seconds Saybolt Universal Viscosity at 210° F. with a viscosity index of 85 or more.

B. Tetraethyl Lead.—Pure tetraethyl lead, ethyl fluid or any mixture containing more than 3 c.c. of tetraethyl lead per gallon.

C. Iron and Steel Scrap.—Number 1 heavy melting scrap.

Mozambique

INVOICE REQUIREMENTS

Mr. J. H. English, Canadian Trade Commissioner in Johannesburg, writes under date May 15, 1940, that he has been informed by the Director of Customs Services at Lourenço Marques that with regard to imports into the government administrated territory of Mozambique (Portuguese East Africa) a commercial invoice, for which no special form is prescribed, is sufficient for customs purposes. It must be authenticated with the signature of the sender or manufacturer of the goods and bear a sworn declaration by the person endorsing the bill of lading or by the manufacturers when the goods are invoiced directly by them and forwarded by shipping or overland agents. No certificate of origin is necessary for goods imported from Canada, nor is a consular invoice required.

There are control regulations in force affecting imports of certain commodities such as cotton piece-goods, certain fish products, etc., for the importation of which licences must be obtained from the Director of Importations. Very few commodities are restricted, however, and none is likely to be of great interest to Canada.

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Chile

M. J. VECESLER, CANADIAN TRADE COMMISSIONER

Lima, Peru, July 25, 1940.—Chile continues to maintain strict import and exchange control, and there have been no changes effected since this matter was last dealt with in a report published in *Commercial Intelligence Journal* No. 1895 (May 25, 1940), page 834. The tight dollar situation still prevails, and delays occur in the granting both of import permits and exchange for payment of imports.

A credit was recently established with the United States Export-Import Bank to the amount of some \$12,000,000 United States currency, but all purchases of goods as a result of this credit must be effected in the United States. The official rate of exchange still remains at 19.37 pesos to the United States dollar, export draft quotations are still given at 25 pesos to the United States dollar, and the gold or free market exchange rate has fluctuated between 31 and 33 pesos to the United States dollar.

Canadian exporters to Chile should continue to require payment for their goods on the basis of the establishment of an irrevocable letter of credit when

firms are not customers of long standing with undoubted credit ratings. Care should be taken to see that the necessary import permits are in the hands of Chilean importers, and it is not recommended that any freer terms be granted, other than to proven clients, than cash against documents.

Bolivia

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

Lima, Peru, July 24, 1940.—Exchange control continues to be strictly enforced in Bolivia, although certain changes have been made during recent weeks in its method of operation and in the rates. Under date May 10, a decree was issued at La Paz, Bolivia, whereby the boliviano was pegged to the United States dollar at the rate of 40 to 1 for the duration of the war.

Import control is likewise in effect. Owing to supplies of exchange being limited and in order to regulate the situation, a presidential decree dated May 8 imposed restrictions on the import of various articles considered to be luxuries. Complete information regarding these items is not yet available, but they are known to include prepared fruits; perfumes, and toilet articles; tobacco and its products; automobiles (excepting omnibuses and trucks); motorcycles and bicycles; high-priced radios, phonographs and similar items; metal office furniture; certain specified manufactures of various metals; articles of linen, cotton and wool; and many other items considered to be of a non-essential nature. Goods included in the foregoing list and purchased prior to March 10 would only be permitted importation if proof of purchase prior to that date indicated the rate at which the exchange was obtained or if it were proven that the goods had been paid for with exchange held abroad prior to March 10.

A later decree dated June 6 prohibits every operation having to do with the purchase and sale of goods and articles in general, within the territory of the republic, in foreign currencies or exchanges. This decree also stipulates that every merchant and industrialist or private individual who may acquire foreign exchange or currency other than that distributed by the State must sell it to the Central Bank of Bolivia at the official rate of exchange. Recent advices received from Bolivia indicate a certain stringency in available supplies of exchange. It is suggested, therefore, that Canadian exporters, when effecting sales to that country, do so only on the basis of the establishment of an irrevocable letter of credit, unless sales are made to firms of unquestioned credit standing.

Peru

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

Lima, July 24, 1940.—Peru continues to remain free from import and exchange control. From time to time there have been slight shortages of United States dollar exchange in the market, but this situation has improved considerably. At the present time, and for the past three or four weeks, the Peruvian sol has remained comparatively steady at 6.50 soles to the United States dollar. Currently there are no delays in obtaining dollars in payment for imports, and the general impression appears to be that the situation is satisfactory and will continue so for the immediate future.

Business conditions, however, are not what could be termed good in view of the loss of export markets for some Peruvian commodities. It is suggested, therefore, that Canadian exporters effect sales to Peru on a cash against documents basis, extending credit only to firms whose credit position is unquestioned. Quotations should preferably be in United States dollars, which are readily available to importers in Peru.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING AUGUST 5, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for the principal exchanges for the week ending Monday, August 5, 1940, and for the week ending Monday, July 29, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending July 29	Nominal Quotations in Montreal Week ending August 5	Official Bank Rate
Finland	Markka	.0252	\$.0219	\$.0219	4
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0073	.0073	6
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial		.2150	.2150	—
Yugoslavia	Dinar	.0176	.0249	.0249	5
Portugal	Escudo	.0442	.0428	.0424	4-4½
Roumania	Leu	.0060	.....	.....	3½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2645	.2645	3
Switzerland	Franc	.1930	.2522	.2522	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2223	.2227	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.....	.....	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.....	.....	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2431	.2431	—
Brazil	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0558	.0559	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6326	.6326	4
Peru	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.3889	.3855	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0679	.0649	—
Hongkong	Dollar	.....	.2635	.2561	—
India	Rupee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2601	.....	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.....	.....	—
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5760	3.5760	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Official buying and selling rates set by the Canadian Foreign Exchange Control Board for the pound sterling and the United States dollar remained unchanged during the week ended August 5 at \$4.43-\$4.47 and \$1.10-\$1.11 respectively. In the New York free market, noon buying rates for cable transfers of sterling recorded a net increase of 3 cents after erratic intervening fluctuations. Sharp drops in both the Hongkong and Shanghai dollars as the week closed coincided with reports of unsettled British-Japanese relations. The Argentine peso (free) at Montreal moved up from the week's low of 24.2 cents on July 31 and August 1, to 24.4 cents by August 2 but dropped back to the opening level of 24.3 cents on August 5.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Beer.....	536	Curacao, Dutch West Indies.....	Purchase and Agency.
Shirt Studs.....	537	Leicester, England.....	Purchase.
Zinc Oxide.....	538	Edinburgh, Scotland.....	Agency.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

940 **CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con.**

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

R. T. YOUNG. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

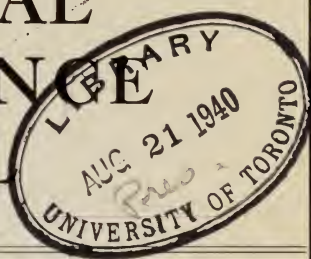
New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: G. R. HEASMAN, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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No. 1907



Unloading Canadian Cheese at Overseas Port

ISSUED BY AUTHORITY OF
THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE
J. G. PARMELEE, DEPUTY MINISTER

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Ottawa, August 17, 1940

No. 1907

OVERSEAS TRADE OF THE UNITED KINGDOM IN JUNE

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, July 24, 1940.—The external trade of the United Kingdom in June was adversely affected by the entry of Italy into the war and the invasion of France. The full impact of the termination of relations with the Low Countries was also felt; while trade with the Far East was interrupted by the closing of the Mediterranean and the diversion of shipping to the Cape route.

It is not surprising, therefore, that total imports into the United Kingdom during June (£90,779,141) showed a decline of 14 per cent when compared with the figures for May. Nevertheless they were still higher by 10 per cent than for June, 1939. Exports of United Kingdom goods in June, which were valued at £36,211,458, declined by 20 per cent as compared with the previous month, and by 9 per cent as compared with June, 1939. The fall in exports, however, is attributable not only to the interruption of trade with the European Continent, but also to the concentration of raw materials for the production of increased quantities of munitions and equipment for defence purposes.

This restriction of export trade is purely temporary, and it is stated that the raw material supply situation has since improved to the extent that it has been found possible to restore the full allotment of raw materials to manufacturers who are producing for the export markets. The Government have reiterated their intention to provide as complete facilities as possible for the maintenance of export trade, in view of its importance as a means of sustaining the high level of imports of goods essential for the war. It is further proposed to limit more strictly the supply of goods for domestic consumption in order to release labour and materials for the production of goods for export. A typical regulation in pursuance of this policy has just been made, under which the use of tin containers for certain toilet requisites, cigarettes, confectionery, etc., and of small size cans for soups, fruit, vegetables, condensed milk and tobacco, is to be prohibited for domestic trade. The new restrictions will save annually between 40,000 and 50,000 tons of tin plate and sheet steel, which will go to the making of shells. Manufactures for export, on the other hand, will not be affected.

Although no figures are published regarding the geographical distribution of United Kingdom trade, an official announcement states that a favourable feature of June trade is the extent to which exports to Canada, the United States and South America, and also to South Africa and Australia, were maintained. Exports to these countries reached the high average level of the three preceding months, which in all circumstances is an encouraging sign for the future.

IMPORTS

Reviewing the import tables, it is found that in comparison with June, 1939, deliveries of food, drink, and tobacco were practically unaltered. Within this group, imports of grain and flour (£10,326,477) increased by 78 per cent and

tobacco receipts (£1,054,736) were nearly double. On the other hand, imports of dairy produce (£3,416,670) were less than half those of June a year ago, while fresh fruit and vegetable imports (£3,718,956) fell by 21 per cent.

Purchases of raw materials from abroad were maintained and increased. The total for the month of June was £29,114,926, a rise of 31 per cent. Raw cotton imports (£4,905,580) increased by 150 per cent; those of raw wool (£5,494,194) by 31 per cent and of seeds and nuts for oil (£4,432,964) by 64 per cent. Offsetting these increases a contraction of 31 per cent was registered in wood and timber purchases (£3,263,808).

Imports of manufactured goods fell by 10 per cent. There was a marked improvement in those of non-ferrous metals and manufactures (£4,868,165) of 40 per cent; imports of manufactures of iron and steel (£2,008,289) went up by 10 per cent; and purchases of leather (£674,743) by 12 per cent. Paper and cardboard imports (£1,376,146) declined by 6 per cent.

EXPORTS

As regards exports, food, drink and tobacco (entered at £2,780,449) recorded a drop of 17 per cent. Among raw materials coal exports (£2,859,950) were reduced by 22 per cent due mainly to the shutting off of continental markets. Exports of manufactured goods (£28,976,058) were 4 per cent less than those of June, 1939. Shipments abroad of cotton manufactures amounted to £4,170,005, or a recovery of 5 per cent. There was also an increase of 6 per cent in shipments of woollen manufactures (£2,150,266). Exports of iron and steel manufactures (£3,076,066), however, fell by 5 per cent; those of machinery (£3,165,146) by 28 per cent and of vehicles, ships and aircraft (£2,826,619) by 27 per cent.

SUPPLEMENTARY BUDGET OF THE UNITED KINGDOM

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER IN THE UNITED KINGDOM

London, July 24, 1940.—In presenting a supplementary budget to the House of Commons yesterday, the Chancellor of the Exchequer stated that whereas at the time of the April budget the average weekly expenditure on the war was about £40,000,000, this figure had recently risen to £50,000,000, and for the four weeks ended July 20 it was £57,000,000. At this rate the cost of the war this year would be about £2,800,000,000 and it might increase still further. The total of all the expenditures is now estimated at £3,467,000,000, which represents an excess over present revenue estimates of about £2,200,000,000.

The Government are already making considerable use of the country's outside financial resources to meet that part of the expenditure which is incurred overseas, but the Chancellor pointed out that it is not desired to deplete these reserves of financial strength any more than necessary, as this would create many future problems. Nevertheless, by the disposal overseas of gold and of foreign securities purchased by the Government from persons in this country, and by reason of the fact that the Dominions and India are allowing part of the United Kingdom Government's expenditures on their products to accumulate in the form of balances and other short term investments in this country, the immediate economic problem has been made less intractable.

The large gap between revenue and expenditure calls for increased taxation and additional savings. One consequence of the huge government purchases is an increase in the total money income of the community. At the same time there will be no increase, but a definite decrease, in the supply of commodities upon which this money can be spent, as the Government intend to intensify the regulations for the limitation of the supply of goods for civilian consumption. Export trade is to be encouraged by the allocation of labour and materials for

such purposes. In its claims on the country's resources, the Chancellor said that export trade must come second only to the overriding military necessities, as it is by export trade that the means of payment are provided for imports of munitions, raw materials, food and other essential goods. He defined these two factors, namely, the increase in total of money income and the diminishing supply of consumable goods, as the crux of the economic problem confronting the country. In these circumstances there is a danger that prices might rise and that a rapid inflationary movement might develop. To meet this danger, demand must not be allowed to outstrip production, and with this object the excess of income is to be diverted to the state by taxation and by the lending to the Government of public savings.

DIRECT TAXATION

In this connection the standard rate of income tax is to be raised for the whole of the current year to 8s. 6d. in the pound, and the rate charged on the first £165 of taxable income is to be 5s. in the pound instead of half the standard rate as formerly.

An important income tax innovation which is proposed is the extension of the principle of deduction of tax at source to the whole range of salary and wage earnings. This will be effected by co-operation between employers and the revenue authorities, and will spread the burden of taxation evenly throughout the year.

INDIRECT TAXATION

In the field of indirect taxation the duty on beer is to be increased by an amount which will mean on the average an additional 1d. a pint. The tobacco duty is increased by a further 2s. per pound, making the full rate 19s. 6d. per pound and the preferential rate 17s. 5½d. per pound. The Chancellor stated that tobacco consumption is standing up well to the recent increases in taxation.

The duty on light wines is advanced by 2s. a gallon and on heavy wines by 4s., making the duty on light wines 8s. a gallon and on heavy wines 16s. a gallon. Preference for wines from the Dominions will be retained and the new Empire duty will be 6s. for light, and 12s. for heavy wines. The entertainments tax is also to be raised.

PURCHASE TAX

The original flat rate purchase tax proposed in the April budget has been abandoned and will be replaced by a different measure. There will be established two categories of goods and two rates will be applied.

A tax of one-third of the wholesale value will be levied on luxuries such as furs, articles made of real silk, lace, china and porcelain goods, cut-glass ware, fancy goods, jewellery, toilet preparations, including cosmetics, and on articles not normally requiring immediate replacement, like haberdashery, miscellaneous textile piece-goods and furniture.

Half the above rate, i.e. a tax of one-sixth of the wholesale value, will be charged on articles like clothing, boots and shoes (other than children's clothing, boots and shoes, which will be completely exempt), domestic hollowware, crockery made from earthenware, brooms and brushes, etc.

All food and drink will be exempt and there will be no purchase tax on fuel, gas, electricity, water and on other goods already subject to high duties (e.g. tobacco, liquor, etc.), nor on children's clothing.

The yield from the new tax is estimated at £110,000,000 a year.

The Chancellor calculated that the total contribution to revenue of the above proposals would amount in a full year to £239,000,000.

TRADE COMMISSIONERS ON TOUR

The following Trade Commissioners are now on tour in the Dominion in the interest of Canadian trade with their respective territories: Mr. Paul Sykes, Bombay, India (whose territory includes Burma and Ceylon); Mr. C. S. Bissett, Havana, Cuba (whose territory includes Haiti, the Dominican Republic, and Puerto Rico); and Mr. F. W. Fraser, Kingston, Jamaica (whose territory includes the Bahamas and British Honduras). Their itineraries are as follows:—

Mr. Sykes

Toronto and district Aug. 19 to 28	Kingston and district.. .. Aug. 30
Whitby, Belleville and district Aug. 29	Brockville.. .. Aug. 31

Mr. Bissett

Guelph.. .. Aug. 19	London and district Aug. 23
Kitchener and district. .. Aug. 20	Walkerville Aug. 24
Galt and Brantford Aug. 21	Vancouver and Victoria .. Aug. 29 to Sept. 7
Hamilton and St. Catharines Aug. 22	Calgary Sept. 9
	Edmonton Sept. 10

Mr. Fraser

Granby and district Aug. 19	Halifax Sept. 3 to 5
Sherbrooke and district .. Aug. 20 and 21	Stewiacke, New Glasgow and Truro.. .. Sept. 6
Quebec Aug. 22 and 23	Charlottetown and district Sept. 9
Saint John Aug. 26 and 30	Port Elgin, Sackville, Amherst and Moncton . Sept. 10
Grand Manan Aug. 27 to 29	
Digby Aug. 31	
South Brookfield, Liverpool, Bridgewater and Lunenburg.. .. Sept. 2	

Canadian firms who wish to be brought in touch with the Trade Commissioners should communicate, for Toronto, Edmonton, Vancouver and Victoria, with the office of the Canadian Manufacturers Association; and for other centres, with the respective Board of Trade or Chamber of Commerce.

PRICES FOR FAT CATTLE IN THE UNITED KINGDOM

G. R. PATERSON, ANIMAL PRODUCTS TRADE COMMISSIONER

London, July 16, 1940.—Pending the report of the Expert Committee, which has been set up by the Minister of Agriculture and Fisheries, and the Secretary of State for Scotland, to deal with live-stock problems, an interim scale of prices for fat cattle has been fixed after discussion with the National Farmers Unions of England and Wales, Scotland, and Ireland, for the period July 15 to September 9, 1940.

With a view to reducing the consumption of oil cakes and similar feeding stuffs during the summer, the provision formerly made for higher prices for steers, heifers and cow heifers killing out at 58 per cent and over and for cows killing out at 55 per cent and over has been discontinued. The differences in price for each 1 per cent of killing-out percentage has also been adjusted in a number of cases.

The prices of representative classes of animals for the fortnight beginning July 15 is shown below. In each of the three following fortnights the prices will be subject to seasonal decreases on the basis of those previously published. Full details of the seasonal changes for each class and grade of animals are being published and will be obtainable at the collecting centres.

Prices of cow heifers will be substantially unchanged from the schedule prices previously published, and there will be no change in the prices of imported steers, heifers and cow heifers which have been less than 3 months in this country.

Prices for Fortnight Beginning July 15

	Per Live		Increases from	
	Cwt.		Previous Schedule	
Home-bred steers and heifers—	s.	d.	s.	d.
57 per cent and over	68	6	6	6
54 per cent and over	65	6	9	0
51 per cent and over	52	0	6	6
Imported steers and heifers after 3 months in this country—				
57 per cent and over	66	0	6	6
54 per cent and over	63	0	9	0
51 per cent and over	52	0	6	6
Cows—				
Special grade	48	0	....
54 per cent and over	44	0	4	0
51 per cent	39	0	5	0
48 per cent	30	0	3	0
Bulls—				
Special grade 57 per cent and over	56	0	5	6
Special grade 54 per cent to 57 per cent	53	6	5	6
57 per cent	44	6	4	6
54 per cent	41	0	4	0
51 per cent	32	0	3	0

HARDWOOD MEASURING INSTRUCTIONS IN THE UNITED KINGDOM

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

Bristol, July 2, 1940.—Among the wartime problems arising from the accumulation by the Ministry of Supply of national stocks of timber is the necessity for a common system of measuring. Apparently certain methods are peculiar to individual areas, depending on local trade practice. Accordingly, representatives of the hardwood trade, in consultation with the Timber Control, have issued amended measuring instructions for the national stock of imported hardwood. These cancel all previous instructions and apply to any parcels not yet measured.

The fact that stocks largely in excess of local requirements may be concentrated in wharfingers' hands at certain places and that dealers from other areas may have to draw their quota requirements from these stocks makes it essential that a uniform system of measuring be adopted. Such a system will also facilitate the preparation of stock records, which area officers must render periodically to Control headquarters. It is pointed out that purchasing from abroad may have to be effected on a measurement basis peculiar to the exporting country, and therefore the shipper's tally may differ from the Control records.

The following instructions, as quoted by the *Timber Trades Journal*, are intended to regularize the handling and selling of the goods within the United Kingdom:—

(A) SQUARE-EDGED LUMBER, ALL SPECIES EXCEPT TEAK

(a) All square-edged boards and planks of random specifications as regularly imported: lengths to be called down to nearest whole foot, fractions of a foot to be disregarded; widths to be taken to the nearest inch, exact, half-inch to be called down, over half-inch to be called up.

(b) Strips and narrows as regularly imported under this heading, of random specifications: lengths to be called down to nearest whole foot, fractions of a foot to be disregarded; widths to be called down to the nearest half-inch.

(c) Shorts and short strips and narrows as regularly imported under this heading, of random specifications, and coffin boards under 8 feet in length: lengths to be called down to the nearest half-foot; widths to be called down to the nearest half-inch.

NOTE.—If the specification calls for definite widths and thicknesses but of random lengths, the widths and thicknesses must stand up full to specified dimensions, and lengths only will be marked on each piece. This rule governs as under (a), (b) and (c) above.

(B) DIMENSION STOCK, ALL SPECIES

Parcels must be checked from the number of bundles and/or pieces under their actual respective sizes, and tallies submitted accordingly. Sizes must stand up full to specifications with no allowance for overages. Contents of each size dimension to be given in cubic feet. No marking necessary.

(C) WANNEY-EDGED BOARDS AND BOULES, ALL SPECIES

On thickness $1\frac{1}{2}$ inch and up, lengths to be called down to the nearest half-foot; widths to be the mean of three measurements to be taken in the middle and about one foot from each end of the piece to obtain a fair average, to include half the wane, and to be called down to the nearest half-inch.

On thickness under $1\frac{1}{2}$ inch, lengths to be called down to the nearest half-foot; widths to be the mean of three measurements to be taken in the middle and about one foot from each end of the piece to obtain a fair average on the narrow face within the wane, and to be called down to the nearest half-inch.

NOTE.—No allowances in measure to be made except for loss of wood. Measurements will be chalked on each piece. Where imported as loose waney-edged boards and planks, the usual specification must be supplied. Where purchased as complete boules, a separate tally of each boule must be given.

(D) SPECIAL SPECIFICATIONS

Where goods are purchased under special specifications, not included under (A), (B) and (C) above, the measuring will be carried out according to the terms of purchase in the contract. In all such cases the directions of Timber Control Headquarters Office, Bristol, should be obtained.

Unless otherwise stated in the foregoing sections, length and width measurements must be marked in chalk on each board or piece. Specification sheets are to be furnished showing details of lengths and widths.

SQUARED LOGS

(a) Honduras mahogany and all West African species (mahoganies, obechi, walnut, etc.), with the exception of iroko: actual board measure, taking the smaller width and depth to inches at the middle of the log; lengths to be taken to half feet from short corners, contented to cubic feet and twelfths; allowances only to be made for snapped ends, wane and loss of wood.

(b) Iroko, teak, greenheart and rock elm: calliper measure at middle of log to quarter inches and lengths to half feet, contented to cubic feet and twelfths. In greenheart, lengths to be taken to half snape.

ROUND LOGS

(a) Honduras, all West African species, teak and rock elm, to be measured Hoppus $\frac{1}{4}$ girth, tape under bark, 144 divisor to quarter inches and half feet, contented to cubic feet and twelfths. The mean diameter at the small end is also to be recorded; allowances to be made for snapped ends and loss of wood.

(b) Other species, ash, oak, hickory, birch and woods not otherwise mentioned, arriving with the bark on, to be measured Hoppus $\frac{1}{4}$ girth 144 divisor, tape over bark with due allowance for bark, to quarter inches and half feet, contented to cubic feet and twelfths. The normal allowance for bark to be 10 per cent, but in exceptional cases (such as poplar) this allowance to be left to the measuring broker. The allowance made is to be recorded in the measurement returns.

GRADING OF LOGS

(a) All mahoganies and West African logs will be graded into first grade, second grade, third grade. In addition a selection is to be made of logs which show figure and/or stripe, also large quartering logs (squared 32 inches and up small way; round, 36 inches and up mean diameter small end).

(b) Grading rules of logs covered by (a) above shall be as follows:—

First-grade log must be straight grown and reasonably well squared, or, if round, well shaped; free from visible defects except such as are too slight to impair the conversion value of the log to an appreciable extent.

Second-grade log may be bent and irregularly squared or shaped to a moderate extent; it may show defects at ends and sides which in the aggregate impair the conversion value to a moderate extent.

Third-grade comprises logs which do not qualify for inclusion in second grade.

(c) These graded logs shall be hammer stamped as follows: (1) First grade to be marked A, second grade B, third grade C, and selected logs S; (2) Mean diameter at small end (on round logs only); (3) Log number and distinguishing letter.

(d) Ash, oak, hickory, rock elm, birch, greenheart, teak and other species not otherwise mentioned will not be divided into grades, although any special remarks as regards quality will be noted in the records; to be marked with log number and distinguishing letter, and measurements to be recorded on sheets as customary.

BUSINESS CONDITIONS IN THE UNITED STATES, JANUARY-JUNE

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, August 7, 1940.—In the first six months of 1940 there was a considerable increase in business activity throughout the United States over the corresponding period of 1939, according to important indicators. Steel production, automobile production, construction, bank clearings and car loadings all showed moderate, and in some cases strong, gains over the previous year.

Another important factor in the improvement of business conditions during the period—one which was a result of the spreading of the war in Europe in May and June—was the adoption of a national defence program involving the expenditure of large sums of money for military and naval expansion. The United States has now found it necessary to embark upon the building of a great establishment to turn out battleships, airplanes, tanks and other war equipment.

The spread of the European war has also had a serious effect upon United States foreign trade, European markets as well as sources of supply having been cut off from this country. Although the exports of war materials have more than made up for the loss of markets for other commodities, this country is now faced with the problem of finding outlets for her large surplus of agricultural products.

STEEL INDUSTRY

Steel production is proceeding at a high rate, despite the fact that only relatively small orders have been placed for national defence needs and that the automobile industry, the railroads and the construction industries are taking less than their average requirements. However, with the probability of more active demand from the principal consuming industries and for the national defence program, the outlook is regarded as definitely favourable.

For the first six months of this year steel ingot output amounted to 28,678,124 tons as against 20,958,723 tons in the like period of 1939, a gain of 37 per cent. Operations for the 1940 period averaged 72·64 per cent as compared with 52·98 per cent in the previous year.

AUTOMOBILE INDUSTRY

Field stocks of new cars, which only a month ago were giving considerable concern to analysts of the automobile market, are rapidly melting under the effects of a continued contra-seasonal upward trend of sales and manufacturers are making haste to close off their 1940 model season and start distribution of 1941 models.

The Automobile Manufacturers Association reported that retail sales of passenger cars and trucks during the first six months of 1940 totalled 2,167,218 units as compared with 1,686,988 in the 1939 period, an increase of 28·4 per cent.

Dealers' stocks at the beginning of July totalled about 400,000 units and there is little doubt that the dealers will dispose of most of these cars before long in view of the anticipated increase in price of the 1941 models.

AVIATION INDUSTRY

During the first six months of this year the United States aviation industry has been rapidly increasing its production. The biggest impetus in the industry's expansion has, of course, been due to military orders from Britain, France and the United States.

The industry is now producing about 2,000 engines and 500 military planes a month, which is estimated to be about 60 per cent of capacity. The backlog

of orders totals close to \$1,000,000,000, including all types of military, commercial and pleasure flying craft. In order to meet the orders many of the present plants are rapidly expanding their facilities to produce further planes.

It is estimated that there are now more than 100,000 persons engaged in the manufacture of aircraft and that when the United States goal of 50,000 planes per year is reached the total manufacturing personnel will be close to 700,000.

CONSTRUCTION

According to the reports of the F. W. Dodge Corporation construction awards in the 37 eastern states for the first six months of this year amounted to \$1,623,000,000 as compared with \$1,699,000,000 in the like period of 1939. Residential building awards were the highest for any June since 1929, while the six months' total of \$690,600,000 was the largest for any corresponding period since 1929 and accounted for 43 per cent of all contracts awarded to date.

Although certain public works programs have been tapering off, the new defence program calls for a considerable volume of construction, both in government projects and in private industrial plant expansion.

AGRICULTURE

At the end of June this year it was reported that crop prospects average substantially higher than at this time last year, but that yields were not expected to be as high as in 1938 and 1939. Total crop production is expected to be fully up to the average of pre-drought years and only slightly below the 1939 production. Wheat, tobacco, corn, oats and barley production are estimated to be below that of the previous year. Factors contributing to the reduction of these crops were said to include federal programs under which farmers were offered benefit payments to reduce plantings of some of the major crops of which there are above average supplies.

FARM INCOME

The Bureau of Agricultural Economics estimates cash farm income, including government payments, for the first half of 1940 at \$3,824,000,000 or 8 per cent more than the total of \$3,532,000,000 in the like period of 1939. Government payments for the 1940 period amounted to \$410,000,000 as compared with \$414,000,000 in the similar period of 1939, a decrease of 0.9 per cent. The gain in income was accounted for by farmers' income from marketings which totalled \$3,414,000,000 or 9 per cent over the farmers' marketing income of \$3,118,000,000 in the 1939 period. Income from the sale of grains and dairy products continued to show the greatest increases as compared with the previous year, although in recent months fruits and vegetables have shown considerable gains.

WHEAT

According to the Crop Reporting Board, conditions on July 1 indicated a total 1940 wheat crop in the United States of 728,644,000 bushels as compared with the 1939 crop of 754,971,000 bushels and the ten-year (1929-38) average of 754,685,000 bushels, a decrease of 3.5 per cent in each instance.

Winter wheat production is placed at 523,990,000 bushels for 1940, a decrease of 7 per cent from the 1939 total of 563,431,000 bushels and 8.5 per cent below the ten-year average production of 571,067,000 bushels. The acreage of winter wheat to be harvested is estimated at 34,922,000 acres as against 37,802,000 acres harvested in 1939, a decrease of 7.6 per cent.

The production of all spring wheat is estimated at 204,654,000 bushels as against 191,540,000 bushels produced in 1939 from a smaller acreage. The average (1929-38) production is 183,619,000 bushels. The area of all spring wheat harvested is placed at 17,758,000 acres as compared with 15,894,000 acres in the previous year and the ten-year average of 17,416,000 acres.

Durum wheat production in 1940 is estimated at 34,954,000 bushels as compared with 34,360,000 bushels harvested in 1939, and the 1929-38 average of 29,619,000 bushels.

Stocks of old wheat on farms on July 1 were placed at 85,521,000 bushels and were slightly under the July 1, 1939, stocks of 90,372,000 bushels.

CORN

The indicated production of corn on July 1, 1940, was 2,415,998,000 bushels, which is 8 per cent under the 1939 crop of 2,619,137,000 bushels but 5 per cent above the ten-year (1929-38) average of 2,299,342,000 bushels. The acreage of corn for harvest is estimated to be 86,306,000 acres, a decline of 2.8 per cent from the 88,803,000 acres harvested in 1939 and the smallest since 1894.

Stocks of old corn on farms on July 1, 1940, were 862,474,000 bushels or 36.5 per cent of the 1939 production for grain. These are the largest July 1 stocks in the fourteen years of record and compare with the July 1, 1939 stocks of 849,765,000 bushels.

COTTON

The cotton acreage in cultivation in the United States on July 1, 1940, as estimated by the Crop Reporting Board, was 25,077,000 acres. This is 1.6 per cent over the area of 24,683,000 acres on July 1, 1939. With the exception of the last two years the acreage in cultivation is the smallest since 1929 and is closely in line with general trade expectations.

COMMODITY PRICES

The recent business recovery does not have the feverish character of the buying wave let loose last September by the outbreak of the war. Sensitive prices were relatively stable in June as contrasted with the record jumps made in commodity prices in September last. The index of the Bureau of Labour Statistics of 28 sensitive commodities stood at 110.0 (August, 1939 equals 100) on May 31, after a decline of 7.5 points from May 10, and at 110.1 on June 28.

Prices of many raw industrial commodities moved up during the first three weeks of June, although all the gain was not held during the final days of the month. The composite steel-scrap price was above \$19 on June 29, although down from \$19.75 on June 22, as against a quotation of \$18.37 on June 1 and \$16 a month earlier. Non-ferrous metal prices were firm for the month as a whole, while copper and tin prices receded at the month's end. Other raw industrial materials, such as rubber, cotton, wool, and silk, moved upward until late in June. While prices of grains declined throughout the month, spot market prices of steers, hogs, lard and butter advanced consistently.

MONEY AND BANKING

The most outstanding development in the money and banking situation in the United States has been the excessive imports of gold. Of course, not all of this metal has been sold to the United States Treasury, some of it is earmarked for foreign account to be held for safekeeping or for future sale to the Treasury. Reflecting the gold inflow, member bank reserves rose to a new peak of \$6,880,000,000 in July. The increase in excess reserves has added basic strength to the high-grade bond market and interest rates have continued to rule at their prevailing low level.

GOLD MOVEMENTS

The intensification of the conflict in Europe has continued to spur the movement of gold to the United States. Imports of gold for the first six months of 1940 totalled \$2,745,589,000 and were at a far higher rate than the record

imports of \$2,020,642,000 in the 1939 period. Exports of gold for the 1940 period amounted to \$4,938,188 as compared with \$435,289 in the like period of 1939. The monetary gold stocks at the close of June amounted to \$19,963,075,000, an increase of \$2,319,625,000 during the first six months of this year. Gold earmarked at the Federal Reserve banks for account of foreign banks totalled \$1,710,000,000 at the end of June.

NEW FINANCING

Although total new financing for the first six months of 1940, all of which was domestic, amounted to \$1,191,651,849 as compared with \$1,354,052,829 of new domestic financing in the similar period of 1939, 60 per cent or \$780,366,137 was for refunding purposes, and \$411,285,712 was for new capital.

State and municipal financing, accounting for 5.7 per cent of the 1940 amount, totalled \$55,206,541 as against \$274,547,248 in the corresponding 1939 period, when the proportion was 55 per cent. Public utility financing amounted to only \$38,000,000 as compared with \$120,473,000 in the previous year, while new industrial financing amounted to \$2,131,500 as against \$95,927,918 in the like period of 1939.

GOVERNMENT FINANCING

United States Government spending for the fiscal year 1940 totalled \$9,537,000,000, exclusive of debt retirement, against which revenues totalled \$5,925,000,000, resulting in a deficit of \$3,612,000,000. The public debt on June 30 last, the end of the 1940 fiscal year, stood at \$42,967,000,000, an increase of \$2,528,000,000 in the twelve months.

FOREIGN TRADE

The effect of the European war on United States foreign trade during the first six months of 1940 has been clearly reflected in the shutting off of certain markets to this country and the heavy demand for war supplies by belligerents and neutral countries.

Italy's entrance into the war, as with previous extension of the war into new areas has widened the zone closed to United States shipping and threatened the United States with the loss of important markets and sources of supply. The area now closed to United States shipping includes the whole of Europe, except parts of Spain and Portugal, and the area bordering the Mediterranean Sea.

To date the effects of interrupted communications on this country's foreign trade have been more than offset by the urgent demand for war supplies by both belligerent and neutral nations.

EXPORTS

According to the Division of Foreign Trade Statistics, Bureau of Foreign and Domestic Commerce, Washington, D.C., total United States exports, including re-exports, for the six months ending June 30 amounted to \$2,067,734,000 as compared with \$1,416,011,000 for the corresponding period of 1939, a gain of 46 per cent.

It is of interest to note that the exports of aircraft, non-ferrous metals, steel manufactures, metal-working machinery, munitions and industrial chemicals, amounting to \$643,000,000 in the first six months of this year, accounted for 32 per cent of the total exports and were 132 per cent in excess of the 1939 exports of these products valued at \$277,000,000 and accounting for only 20 per cent of the total exports. Although the entire exports of these products may not have represented war supplies, there is no doubt that the war has greatly influenced the increase in shipments.

Exports which have been adversely affected by the war include automobiles, gasoline, lumber, foodstuffs and tobaccos. The total value of these groups for the first half of 1940 was \$352,000,000 or 17 per cent of total United States exports, as compared with \$405,000,000 in the like period of 1939 or 29 per cent of the total exports, a decline of 13 per cent.

IMPORTS

Total United States imports for the period ending June, 1940, were \$1,293,-807,000 as compared with \$1,094,458,000 in the similar period of 1939, a gain of 18 per cent.

The value of imports of five leading strategic materials, crude rubber, tin, ferro-manganese, nickel and wool, totalled \$264,000,000 and accounted for 21 per cent of the total imports, as compared with \$146,000,000 in the corresponding period of 1939 or 14 per cent of the total United States imports. Total imports of crude materials and semi-manufactures, representing 59 per cent of the total imports for the first six months of this year, amounted to \$738,000,000 as against \$560,000,000 in the corresponding 1939 period. Imports of foodstuffs have shown a slight increase over the 1939 volume and value, while imports of manufactured articles have shown decreases in volume and value from the previous year.

BANK CLEARINGS

The exchange of cheques at the principal clearing houses of the United States during the first six months of 1940 totalled \$152,918,060,232, a gain of 2.4 per cent over the total of \$149,289,513,285 for the like period of 1939.

Clearings in New York City for the 1940 period aggregated \$80,187,177,869 as compared with \$83,769,847,019 in 1939, a decrease of 4.3 per cent. Cheque clearings for the country outside of New York City increased 11 per cent from \$65,519,666,266 in the January-June period of 1939 to \$72,731,882,363 in the corresponding period of 1940.

RAILWAY SITUATION AND CAR LOADINGS

Railway freight and passenger revenues, reflecting a higher level of business activity, have shown a marked increase over those for the January-June period of 1939. Gross operating revenues amounted to \$1,995,596,635 as against \$1,804,126,557 in the like period of 1939, a gain of 10.6 per cent. Net railway operating income of Class I railroads for the first six months of 1940 totalled \$242,366,834 as compared with \$165,623,219 in the like period of 1939.

The Association of American Railroads reports that total railroad car loadings for the first twenty-six weeks of 1940 amounted to 16,906,395 cars as against 15,263,800 cars for the similar period of 1939, an increase of 10.8 per cent.

The following table shows in detail the car loadings for the first half of 1940 as compared with the first half of 1939:—

	1940 Cars	1939 Cars	Inc. or Dec. Per Cent
Total	16,906,395	15,263,800	+ 10.8
Miscellaneous	6,866,767	6,253,349	+ 9.8
Merchandise l.c.l.	3,782,866	3,880,159	- 2.5
Coal	3,351,432	2,593,093	+ 29.2
Forest products	829,582	718,811	+ 15.4
Ore	707,660	488,649	+ 44.8
Coke	251,558	165,272	+ 52.7
Grains	825,479	867,166	- 4.8
Livestock	291,051	297,299	- 2.0

OUTLOOK

The two most important factors in the outlook for United States business are the national defence program and the effect of the war on United States foreign trade.

The immediate consequence of the national defence program in this country will undoubtedly be stimulating to business, leading to a high level of production, trade and employment for a long time to come. However, these are only superficial and temporary results of enormous military and naval expenditures. The ultimate economic consequences cannot be other than burdensome. It will be necessary to call upon the people to pay taxes on a scale never before approached in this country, and even with the additional taxes, the national debt will undoubtedly rise to much higher levels. A further result of this program may be a new extension of governmental restrictions and controls.

While the foreign trade outlook, particularly for exports of war materials, remains very good, the spread of the war has resulted in the loss of large markets, particularly for agricultural products. The countries that have been stricken from the list of probable buyers in the last four months normally represent a huge market for United States farm products, and nothing has yet appeared to offer any compensation for this prospective loss. It is possible that long continuation of the war or an unexpectedly serious food crisis in Europe might result in a foreign demand for foodstuffs sufficiently urgent to surmount present obstacles. However, it seems likely that the trend of foreign trade in this country's farm products in the future will be even less favourable than that reported for the war period to date.

NEWSPRINT SITUATION IN THE UNITED STATES, JANUARY-JUNE

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, August 1, 1940.—There has been no increase in newsprint advertising in the newspapers of the United States to correspond with the increase in the general business during the first six months of the current year. Such increases as have occurred in newsprint consumption are chiefly the result of larger papers and larger circulations due to the public desire to receive the latest details of the present world struggle.

PRODUCTION

Total North American production of newsprint paper for the first half of 1940 was 2,324,000 tons, an increase of 373,000 tons or 19 per cent over the first six months of last year. Of this total Canada contributed 1,642,000 tons; the United States, 512,000 tons; and Newfoundland, 170,000 tons. The gain in Canadian production was 22 per cent as compared with a gain of $8\frac{1}{2}$ per cent in the United States. The larger gains and production reflect the demands which have come to Canada from other consuming regions with the shutting off of the European supply.

IMPORTS

Imports of newsprint paper into the United States this year to June 30 totalled 1,298,000 tons, of which 28,000 tons came from overseas, 59,000 tons from Newfoundland and 1,211,000 tons from Canada. This was an increase in total imports of 105,000 tons or 9 per cent over the first half of last year. The gain has gone entirely to Canada and Newfoundland, the overseas total

during the six months having been 132,000 tons less than a year ago. The tonnage which has come in from overseas this year into the United States was mostly started before the Germans invaded Norway. Since then it has been slight. The Russian shadow over Finland makes problematical the question of as great imports of pulp and paper from that country after the termination of the present conflict as in 1939.

STOCKS

North American newsprint stocks on hand at June 30, were approximately 262,000 tons, exclusive of those in transit to publishers reporting to the American Newspaper Publishers Association. The latter amounted to 305,000 tons, or a total for the two groups of 567,000 tons. This total compares with a total of 570,000 tons a year ago. Shipments from the mills since July 1 have exceeded production.

In view of the larger demands for newsprint the amount of paper available for consumption at the present time is relatively less than last year and certainly no more than normal.

CONSUMPTION

Publishers reporting to the A.N.P.A. used during the first half of the year 1,429,000 tons, which was a gain of 95,000 tons or 7 per cent over 1939. It is reported that on the average the United States publishers have used 50 per cent of their year's consumption during the first six months and it is reasonable to assume that this ratio will hold approximately through 1940. The News Print Service Bureau is of the opinion that the consumption of this group will be around 2,860,000 tons during the twelve months. If, as in 1939, they use 77 per cent of United States consumption of newsprint, the 1940 total will exceed 3,700,000 tons, which from the standpoint of Canadian and United States manufacturers will be a most satisfactory figure.

SIZES OF NEWSPAPERS

Sunday newspapers have greatly increased in size during the current year with an average of 87 pages as compared with 83 pages during the same period in 1939. The News Print Service Bureau states that the leading dailies so far this year have averaged 28 pages in size as compared with 26 pages last year. The explanation is, of course, the increased quantity of political and war news. It is safe to assume that it will continue, particularly in view of the forthcoming presidential elections.

RADIO ADVERTISING

Radio continues to set new records month by month, notwithstanding the oft-expressed opinion that a saturation point has been expected over a lengthy period. It is estimated that the monthly expenditures by advertisers for radio time over the National, Columbia, and Mutual networks during the first half of the year has been approximately \$47,000,000 as against approximately \$41,000,000 during the first six months of 1939, or a gain of 14 per cent this year.

The Federal Communications Commission reported the sale of radio time during 1939 amounted to \$129,468,000 for the three major networks and 705 other stations. It is probable, therefore, that the total expenditure for radio advertising for 1939, including time, talent and follow-up, exceeded \$200,000,000. Recent estimates indicate that sixty-one companies in the United States spent

\$1,000,000 or more each in national advertising last year and that eighteen of these companies spent more than 50 per cent of their advertising appropriations for radio.

OUTLOOK

Keeping in mind the continued sharp increase in radio advertising, Canadian manufacturers can make their own predictions as to future developments in the newsprint industry. With almost every important activity in the world deeply affected by the present war, and so dependent upon the length of the war and the final outcome, it would be a rash person who would predict the business outlook. Nevertheless newsprint supply has been more plentiful than during the 1914 war; prices have been stable and consumption has been good, which has been helpful to both manufacturers and users.

At least it seems safe to say that so long as the war lasts the newsprint mills on this side of the Atlantic will be called upon to supply a large part of the world consumption; but beyond this it is quite unsafe to volunteer an opinion.

Acknowledgment for use of material for the above brief review of the high points in the United States newsprint situation is made to Mr. Royal S. Kellogg, of the News Print Service Bureau, New York City.

MARKET FOR DRIED PEAS IN THE BRITISH WEST INDIES (EASTERN GROUP) AND BRITISH GUIANA

G. A. NEWMAN, ACTING TRADE COMMISSIONER

Port of Spain, July 23, 1940.—Among the labouring classes which form the greater part of the population of the British West Indies (Eastern Group) and British Guiana, dried yellow split peas, and, to a much lesser extent, dried whole peas and beans, are common items of diet. Yellow split peas are also used by the large East Indian communities in Trinidad and British Guiana as a substitute for *dholl* which it resembles.

There are several ways of preparing split peas and whole peas for consumption, but they are commonly used in the preparation of "peas and rice", soup, and a dish known as "split pea coucou".

HOME PRODUCTION

During the period of March to June a variety of locally grown peas and beans are cropped. Of these, pigeon peas and black-eye beans appear on the market in considerable quantities, but their poor keeping quality does not permit them to affect the general sale of imported dried peas and beans except during the period when they are immediately available. In June dried pigeon peas were being sold wholesale at \$9 per 100 pounds net on the Trinidad market.

IMPORTS

The British West Indies (Eastern Group) and British Guiana, therefore, are dependent on overseas sources of supply for the major portion of the dried peas and beans consumed. Average annual imports from 1935-1938 inclusive into the three principal markets of this territory amounted to 4,045,844 pounds for Trinidad, 2,121,451 pounds for Barbados, and 4,083,706 pounds for British Guiana.

During 1938, the last year for which complete details of imports have been published, supplies of dried peas and beans according to country of origin were as follows:—

(a) *Volume of Dried Bean and Pea Imports in 1938*

	Trinidad Lbs.	Barbados Lbs.	British Guiana Lbs.	Northern Islands Lbs.
Total	5,294,464	2,178,623	4,072,802	397,833
United Kingdom	1,283,184	7,523	2,745,776	175,731
Netherlands	2,798,544	1,193,102	847,586	38,247
United States	314,496	570,908	245,580	79,687
Canada . . . . .	.....	.....	.....	16,822
Other countries	898,240	407,090 ¹	233,860	87,346 ²

(b) *Value of Dried Bean and Pea Imports in 1938*

	Trinidad	Barbados	British Guiana	Northern Islands
	British West Indian Dollars ³			
Total	156,606	63,177	120,767	14,740
United Kingdom	38,331	221	74,481	5,467
Netherlands	75,583	34,598	23,664	1,843
United States	12,397	16,555	10,569	3,240
Canada . . . . .	.....	.....	.....	576
Other countries	30,295	11,803	12,053	3,614

¹ Germany, 201,363 lbs. ² Germany, 35,709 lbs. ³ Canadian Dollars are at a premium of 9½ per cent over British West Indian Dollars, which are pegged at \$4.80 to the pound sterling.

YELLOW SPLIT PEAS

Yellow split peas form 60 to 80 per cent of the total imports entered under the general classification of dried peas and beans. With the United Kingdom and the Netherlands the main sources of supply prior to the war, they form the bulk of the imports from these two countries. At the outbreak of war, importers were unable to secure any further supplies from these sources and were obliged to obtain them from Canada, the United States and India.

Imports into Trinidad from Canada rose from nil in 1938 to 1,235 hundred-weights valued at \$11,067 in 1939. And, as will be noted in the following figures of Trinidad imports for the first quarter of 1940, imports from Canada in that period amounted to 313,500 pounds valued at \$25,823. Imports from India and the United States were also quite heavy, although the imports from the latter country include moderate quantities of other products besides yellow split peas.

Imports of Dried Beans and Peas into Trinidad, January-March, 1940

	Lbs.	\$
Total	1,536,641	98,047
United Kingdom	43,610	3,040
Canada	313,500	25,823
India	378,560	15,721
United States	507,488	37,576
Chile	152,350	9,456
Other countries	141,133	6,431

Quality.—Large, polished, yellow split peas which soften readily on cooking are preferred in these markets. This was the type formerly obtained from the Netherlands. Imports from Canada during the past few months have been either unpolished or semi-polished small yellow split peas of good cooking quality. Although it is reported that they were not quite equal in appearance to those obtained from the United States, they were greatly preferred to imports from India both for appearance and cooking quality.

Price.—During the past season imports from Canada were sold at \$6.75 to \$7 per bag of 98 pounds c.i.f. Imports from the United States were quoted at \$6.30 to \$6.50 per bag of 100 lbs. c.i.f. Imports from India were sold at prices

varying from \$4.32 to \$4.68 per 100 pounds c.i.f. All these prices are in British West Indian dollars and, therefore, subject to a discount of $9\frac{1}{2}$ per cent in terms of Canadian dollars. Imports from the United States would be subject to the general tariff rates as compared to British preferential rates on imports from Canada and India.

DHOLL OR DHAL

Dholl resembles yellow peas and is more finely split than the yellow split peas. For years *dholl* has been imported from India into Trinidad and British Guiana where there are large East Indian communities. In 1938 imports into Trinidad and British Guiana amounted to 1,254,064 and 768,084 pounds respectively. *Dholl* was being sold on the Trinidad market in June of this year at \$8.21 per 98 pounds net duty paid or about 8.3 cents per pound wholesale. East Indians use yellow split peas as a substitute for *dholl* if the latter is unavailable or high in price.

DRIED GREEN WHOLE PEAS

There is a small market for imported dried green whole peas. Market conditions are usually most favourable from June to January when local pea and bean crops are not being marketed in any quantity. At present green whole peas are imported from the United States, the last known price being in January at \$4.95 per 100 pounds c.i.f. in United States currency.

DISTRIBUTION

Dried peas and beans are usually sold through the local commission agents to the wholesale provision dealers who, in turn, distribute them to the numerous small retail shops supplying foodstuffs to the working classes.

The agents' commission is about 2 to 3 per cent, and drafts are drawn on their customers at sight D.O.A. or sight 30 days less 1 per cent for payment at sight.

TARIFF

The following are the rates of duty on dried peas and beans in the three main markets of this territory:—

	British Preferential	General
Trinidad	24c. per 100 lbs. Plus surtax of 15 per cent on duty	48c. per 100 lbs. 15c. per 100 lbs.
Barbados	6d. per 100 lbs. Plus surtax of 10 per cent on duty	1s. per 100 lbs. 50c. per 100 lbs.
British Guiana	25c. per 100 lbs. Plus surtax of 30 per cent on duty and 3 per cent ad val. bill of entry tax	

SUMMARY

The market for polished yellow split peas offers the best opportunity to Canadian exporters, although unpolished split peas will be accepted. The excellent cooking quality of the split peas imported from Canada permits them to be sold at a considerably higher price than imports from India, which do not soften easily when being cooked. Imports of split peas from California have been well received and may prove an important factor on these markets, although the high premium on United States currency, the general tariff, and the policy of local import licensing authorities combine to reduce imports from this source.

At present the Trinidad market is overstocked with yellow split peas. In this connection it is interesting to note that 37 per cent of the market's average annual requirements in dried peas and beans were imported during the first quarter of this year.

SOUTH AFRICAN COMMODITY MARKETS IN 1939

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

I

Cape Town, June 25, 1940.—The subjoined notes, based on the South African trade statistics for 1939, deal with the imports into South Africa of the principal commodities and groups of commodities which are of particular interest to Canadian exporters.

FOODSTUFFS**BISCUITS**

In 1939 the Union imported 600,555 pounds of biscuits valued at £29,992. The United Kingdom with 337,984 pounds valued at £20,732 was the principal source of supply. Canada with 26,220 pounds valued at £1,739 was in second place from the point of view of value. Other supplying countries included the Netherlands, Belgium, and the United States.

DAIRY PRODUCTS

South Africa is an exporter rather than an importer of dairy products. There is a surplus of butter, which is represented by exports in 1939 weighing 6,928,450 pounds. Most of this went to the United Kingdom. Imports of cheese were only 14,317 pounds, while exports amounted to 4,253,495 pounds. The same situation applied to eggs, these being an export rather than an import commodity. The United Kingdom was the principal purchaser. The quantity of full-cream condensed milk imported in 1939 was 661,229 pounds valued at £10,037. The United Kingdom was credited with supplying about 60 per cent of the total and Ireland with most of the remainder. Imports of desiccated full-cream milk during the same period weighed 438,718 pounds and were valued at £24,168. Canada was the leading purveyor with 189,766 pounds valued at £17,246. The Netherlands was second with 217,563 pounds valued at £3,957, followed by the United States with 29,955 pounds valued at £2,923.

VEGETABLE FATS

The total volume of imports under this heading was 731,590 pounds valued at £13,573. The United Kingdom with 495,777 pounds valued at £8,857 was the most important country of origin. Germany was second with 156,700 pounds valued at £3,315. The Netherlands and the United States came next, while Canada was credited with 7,455 pounds valued at £181. The Dominion was also credited with a small quantity of non-specified vegetable fat substitutes amounting to 1,679 pounds out of a total of 2,696 pounds.

CEREALS

With the exception of rice, the Union of South Africa is not an importer of cereals. One of these—corn—is an important export item. As regards wheat, which is the item of principal interest to Canada, there are limited imports, production in normal years being roughly the equivalent of consumption. There are, however, small purchases of foreign hard wheat for special purposes such as the manufacture of biscuits and alimentary pastes. The total amount of wheat imported into the country in 1939 was 10,855,821 pounds valued at £31,997. Australia supplied 9,767,076 pounds valued at £28,368. Most of this was used for bread-making and to supplement the domestic crop. Canada was credited with 1,077,832 pounds valued at £3,567. This latter was employed largely for biscuit making.

WHEAT FLOUR

The South African milling industry has a monopoly of the flour market, imports being allowed only under permit and for special purposes. The total volume of imports in 1939 was 987,443 pounds valued at £6,183, of which Southern Rhodesia supplied 204,887 pounds valued at £2,156. Canada was credited with 406,300 pounds, valued at £2,061. A review of wheat flour imports during the last five years indicates a tendency toward reduction.

MALT

South Africa's annual imports of malt are in excess of 1,000,000 pounds. The exact quantity in 1939 was 1,285,300 pounds valued at £10,982, of which the United Kingdom supplied 802,789 pounds valued at £6,928. Czecho-Slovakia was credited with 307,242 pounds valued at £2,715; these figures representing imports from January to June only, after which date they were credited to Germany, which for the whole year is shown as having supplied 52,841 pounds valued at £471. Canada supplied 67,200 pounds, while most of the small remainder came from Belgium.

OATMEAL AND ROLLED OATS

Oatmeal imports weighed 375,265 pounds and were worth £5,659, practically all of which came from the United Kingdom. As regards rolled oats, Canada was the country of origin of 1,457,825 pounds valued at £18,924. The next largest contributor was the United Kingdom with 10,776 pounds, while the United States shipped only 2,595 pounds.

CONFECTIONERY

Imports of chocolate confectionery during the year under review weighed 635,909 pounds and were valued at £34,672. These figures were well below the average of preceding years and indicate the severity of competition from domestic products. The United Kingdom was still the principal country of origin being credited with 487,451 pounds valued at £26,836. Belgium with 114,005 pounds valued at £5,646 was second, and Canada supplied 10,752 pounds valued at £981. Other suppliers were the Netherlands, Sweden, and the United States.

Imports of "other manufactured sweets" weighed 2,960,795 pounds and had a value of £162,321. The United Kingdom with 2,156,633 pounds valued at £112,768 was first among the supplying countries, followed by the United States with 366,154 pounds valued at £162,321. Other suppliers included the Netherlands, 134,537 pounds valued at £6,949; Canada, 35,609 pounds valued at £3,328; Belgium, 74,743 pounds valued at £3,067; and France, 17,766 pounds valued at £1,208.

Imports of other non-classified sweetmeats were 43,896 pounds by volume and £1,985 by value. More than half of the total came from the United States, the United Kingdom being in second place. Canada is shown as having supplied 3,744 pounds valued at £212.

FISH

The South African trade statistics classify fish imports under a number of different headings. The first of these is dried and cured of which the total volume was 3,285,078 pounds valued at £71,270. The United Kingdom was by a wide margin the leading source of supply with 2,142,478 pounds valued at £50,989, followed by the Netherlands with 792,257 pounds valued at £9,817. Canada participated to the extent of 36,052 pounds valued at £3,361. Other supplies came from India, Norway and the United States.

Fresh and frozen fish imports weighed 270,752 pounds valued at £7,062. Here again the United Kingdom was responsible for the largest imports, with

143,735 pounds valued at £3,095. Portuguese East Africa came next with 92,511 pounds valued at £2,973, while Canada contributed 7,648 pounds valued at £170.

The next fish product item is listed as caviar, lobster, anchovies, and smoked salmon, total imports being 155,422 pounds valued at £11,985. Portugal, Russia, Spain, and Italy were the leading countries of origin. Canada was credited with 1,852 pounds valued at £229. Imports of fish pastes, potted or tinned, came to 220,290 pounds valued at £29,832, nearly all of which was from the British Isles.

The next item is of particular interest to Canada. This is listed as "other preserved fish", and includes canned salmon, sardines, and herrings. The principal countries of origin, with the volume and value supplied by each, were as follows:—

	Lbs.	£
Total	12,595,400	359,625
United Kingdom	678,997	19,925
Canada	6,758,996	143,362
Norway	1,447,428	87,880
Portugal	291,471	7,730
Russia	690,719	38,137
Japan	1,865,704	29,559
United States	511,754	17,386
Alaska	126,551	5,123

The above totals represent a slight increase in comparison with the preceding year and are above the average of the last five years. Other suppliers of canned fish include France, the Netherlands, and Sweden.

FRESH APPLES

South Africa offers a limited market for fresh apples. Canada is given a tariff preference, which is applicable only during the last three months of the calendar year, which covers the period before the domestic crop comes on the market. In 1939 the total number of boxes entering the country was 49,468 with a value of £21,097. Of this quantity 43,515 boxes valued at £18,329 were of Canadian origin and 5,807 boxes valued at £2,733 came from the United States. In 1938 total imports were 68,660 boxes valued at £26,743. South Africa is itself a fruit-producing country and does not import any other varieties which are of interest to Canada.

MACARONI, VERMICELLI AND SPAGHETTI

The imports of these products are not large. Domestic manufacturers are well established and leave little room for outside competition. The total volume of imports during the period under review was 300,083 pounds valued at £6,264. Of this quantity 188,468 pounds valued at £4,010 came from Canada, and 61,847 pounds valued at £1,382 from the United States. Italy supplied 25,569 pounds, while smaller quantities are credited to Hongkong, Greece and China.

TINNED AND BOTTLED FRUITS

The large volume and good quality of the domestic production of canned fruits restricts the market as far as imports are concerned. The total in 1939 was 1,284,687 pounds valued at £35,014. France was first among the importing countries, with 667,474 pounds valued at £18,192, the United States following with 337,973 pounds valued at £6,938. The United Kingdom was credited with 82,779 pounds valued at £4,241 and Canada with 30,923 pounds valued at £1,531. Other supplying countries included Spain, Greece and Australia.

CANNED VEGETABLES

The South African trade statistics list canned vegetables under three headings. The first of these is peas and beans, the total imports of which in 1939 weighed 1,209,762 pounds and had a value of £22,481. Canada with 826,909

pounds valued at £15,430 was the leading source of supply. The United States with 240,536 pounds valued at £4,505 was second. The volume of pea and bean imports has declined with the growth of local competition.

The second variety of canned vegetables in the statistics is asparagus. The total in 1939 was 1,019,938 pounds valued at £31,135 and practically all of this came from the United States.

The third heading is "other preserved vegetables" which would include anything other than peas, beans and asparagus. The total volume during the period under review was 2,224,280 pounds and the value £34,064. Here, too, Canada was in the leading position with 1,250,058 pounds valued at £15,945. The United States was second with 466,401 pounds valued at £6,033 and Italy third with 223,400 pounds valued at £6,070. Other suppliers included France and the Netherlands. Imports from Canada under this heading would be principally corn. This article also comes from the United States, while Italy supplies tomatoes.

MEAT AND MEAT PRODUCTS

The market which exists in the Union of South Africa for cured or canned meats is small. Total imports of bacon in 1939 weighed 82,824 pounds with a value of £3,864. Roughly three-quarters of this quantity came from Denmark. The same country also supplied 107,311 pounds of ham valued at £7,097 out of a total of 204,154 pounds valued at £13,467. Poland and Esthonia were the other principal purveyors. Imports of other salted and cured meat during the same period came to 171,923 pounds valued at £11,456. Imports of meat pastes totalled 248,047 pounds valued at £11,196, the United Kingdom and Argentina being the two leading shippers. Imports of tinned beef were 5,671,704 pounds by weight and £130,692 by value, the Argentine alone contributing 3,787,115 pounds valued at £85,471. Imports of tinned tongue, which came principally from Argentina and Australia, weighed 358,135 pounds and had a value of £23,839. Other non-classified preserved meats imported in 1939 weighed 2,585,880 pounds and were valued at £82,327, Argentina being the principal supplier.

BEVERAGES

In the beverage group there is a small demand for imported beer; the total quantity coming into the country in 1939 was 95,549 gallons. The United Kingdom, Denmark and Germany were the principal sources of supply.

Total imports of fruit juices and cordials were valued at £11,956. Fifty per cent of this came from the United Kingdom, while the next leading shippers were Kenya and Australia. Canada's contribution was valued at £359.

Whisky imports in 1939 amounted to 424,819 gallons valued at £542,533. The United Kingdom supplied 420,672 gallons valued at £537,061, Canada 3,727 gallons (£4,914), while most of the small balance came from Ireland.

Spirituos toilet preparations are embodied with beverages in the trade statistics. Total imports of these amounted to 3,612 gallons valued at £17,832. The United Kingdom accounted for 22,025 gallons valued at £10,047; the United States, 1,135 gallons (£6,339); France, 300 gallons (£1,062); and Canada, 80 gallons (£103).

MISCELLANEOUS FOODSTUFFS

There is no market in South Africa for imported honey; the country is an exporter rather than an importer. In 1939 imports of jams and jellies weighed 365,121 pounds valued at £11,268. Of this quantity the United Kingdom supplied 235,485 pounds valued at £7,359, and Canada 104,497 pounds (£3,107). Imports of jelly, custard and pudding powders weighed 659,974 pounds valued at £25,940. The United Kingdom shipped 512,855 pounds valued at £19,657; Canada, 74,546 pounds (£3,387); and the United States, 659,974 pounds (£25,940).

The demand for canned soups and soup extracts is not large. Imports in 1939 totalled 444,908 pounds valued at £10,337. Canada was credited with 312,810 pounds valued at £7,166, most of the balance coming from the United States. Lard imports weighed 122,852 pounds valued at £2,618, nearly all of which was of American origin.

Canada is shown as the country of origin of 10,046 pounds of prepared mustard valued at £499. Total imports weighed 250,365 pounds valued at £25,420. The United Kingdom was the country of origin of 95 per cent of this total. Imports of pickles from all sources weighed 378,189 pounds valued at £13,613, more than half of the total being of British origin. Canada was a minor source of supply with 49,015 pounds valued at £1,851, and the United States was credited with 70,196 pounds valued at £1,547.

Canada contributed 98,259 pounds of tomato sauce valued at £4,134 out of total imports of 127,982 pounds (£5,472), most of the balance coming from the United States. Other sauces and chutneys came for the greater part from the United Kingdom, although Canada was also a participant. All other non-specified condiments weighed 260,056 pounds valued at £17,410. Canada's contribution was the largest, having been 152,816 pounds valued at £12,326.

Potato imports weighed 2,181,697 pounds and had a value of £14,268. The United Kingdom was well at the head of the list of suppliers with 1,937,112 pounds valued at £12,703, Ireland being second with 158,800 pounds valued at £1,097. Imports of seed potatoes from Canada had a value of £253 and weighed 29,700 pounds. The quantity of peas, beans and lentils in the grain which came into South Africa in 1939 was 11,520,103 pounds valued at £50,231, Kenya being the principal country of origin, followed by India and New Zealand, while imports from Canada had a value of £763.

During the year under review Canada appeared for the first time as a supplier of table salt; the quantity was 40,800 pounds and the value £23 out of a total of 1,208,289 pounds valued at £9,515. The United Kingdom was the principal supplier. Under the heading of golden syrup and maple syrup, Canada supplied 614 pounds valued at £29, out of a total of 4,490,384 pounds valued at £45,355. The United Kingdom shipped 4,425,704 pounds valued at £44,648. Most of this was represented by a well-known brand of golden syrup. Domestic production is now starting, however, and imports of the product will decline. The United Kingdom supplied 9,211 gallons of vinegar in wood which had a value of £849. Imports of vinegar in bottles from all sources came to 7,223 gallons valued at £1,782. The United Kingdom shipped 2,842 gallons valued at £704; the United States, 2,833 gallons (£650); and Canada, 1,510 gallons (£419).

Canada supplied 4,500 pounds of unsweetened cocoa-butter to the value of £181. This product otherwise comes from the United Kingdom and to a lesser extent from the Netherlands. The value of imports of food extracts and essences from all sources was £82,023; the United Kingdom supplying £76,156; the United States, £2,595; Australia, £1,501; and Canada £242. Farinaceous tonic food imports in 1939 totalled 1,078,015 pounds valued at £82,354. The United Kingdom was by a wide margin the leading supplier, with 1,030,559 pounds valued at £79,430. Canada shipped 15,104 pounds valued at £1,089. Canada also supplied other unclassified farinaceous foods, including patent and proprietary products, to the extent of 238,934 pounds valued at £9,798. The United States supplied 1,608,282 pounds valued at £42,385, while the aggregate of imports from all sources was 2,055,507 pounds valued at £59,997.

TEXTILE PRODUCTS

Textile products, which include fibres, yarns and apparel, make up the second largest group of South Africa's import commodities. In 1939 the United Kingdom supplied approximately 54 per cent of the total value of such imports; other British countries, 11 per cent, and foreign countries, 35 per cent.

READY-MADE CLOTHING

In addition to such semi-finished products as yarns and piece-goods, South Africa is also an important importer of ready-made clothing. Under the heading of apparel, imports of mackintoshes and oilskins were valued at £40,670 in 1939. Slightly more than half of this total came from the United Kingdom, the United States supplying £11,985 and Canada, £1,077. Imports of men's ready-made jackets, vests and trunks totalled 607,172 units and were valued at £284,341. The United Kingdom was responsible for 264,266 valued at £203,634. Other exporting countries included India, Poland, the United States and Italy; Canada's contribution was 398 pieces valued at £296. The value of men's knitted outer clothing, including jerseys and pull-overs, imported during the period under review, was £148,028, with £96,895 from the United Kingdom, £14,180 from Hongkong, £11,091 from Germany, £8,519 from Belgium, £6,876 from the United States, and £2,154 from Canada.

The imports of other unenumerated men's outer garments were valued at £198,033, including £1,638 from Canada. More than half the total under this heading was of United Kingdom origin. Canada supplied women's non-enumerated knitted outer garments to a value of £967 against £145,318 from the United Kingdom, £57,505 from Belgium, £16,810 from France, £12,489 from Germany, and £7,400 from the United States. Total imports of these products were valued at £259,824. The value of imports of other outer garments for women, which include dresses, was £2,092,128. The principal exporting countries with the value of imports from each were: United Kingdom, £914,321; Canada, £132,581; France, £60,728; Germany, £34,823; the Netherlands, £37,084; Japan, £201,665; the United States, £613,161.

CORSETS

The total number of corsets imported in 1939 was 223,762 valued at £87,792. with 119,690 (£48,182) from the United States, 95,749 (£34,753) from the United Kingdom, 5,387 (£3,225) from Australia, and 986 (£655) from Canada. Corset imports have declined by over 50 per cent since 1936.

FURS

Owing to climatic conditions the use of fur apparel in South Africa is confined to the lighter and cheaper varieties. Total imports during the period under review were valued at £82,438, with £68,707 from the United Kingdom, £4,470 from France, £2,490 from the United States, £1,954 from Belgium, and £1,846 from Canada.

GLOVES

Imports of gloves are shown under three headings—fabric, leather, and other, including rubber. The total value of the first-named was £16,127. About one-third of this came from Germany, with somewhat less from the United Kingdom and the remainder divided between Japan, the United States, Hungary, Italy and several other countries. Canada was credited with £55. Leather glove imports were valued at £52,042, the United Kingdom supplying £8,547; Poland, £8,287; Germany, £7,112; France, £6,152; Czecho-Slovakia, £4,534; Belgium, £4,609; and Canada, £248. The value of rubber glove imports was £3,139, of which £2,376 was from the United Kingdom and £993 from Canada.

HATS AND CAPS

Imports of felt and fur hats and caps amounted to 97,278 dozen valued at £169,376. Of these, 31,555 dozen valued at £99,614 were from the United Kingdom, 58,550 dozen (£56,704) from Italy, while other exporters included Japan, France, Germany, the United States and Canada, 83 dozen (£327). Straw hats came principally from the United Kingdom. That country was the leading source of supply for ladies' trimmed hats, which had a value of £84,244. The United States, France and Germany were also suppliers, while Canada

contributed 668 dozen valued at £902. Other unenumerated hats and caps amounted to 240,855 dozen valued at £161,033. The United Kingdom was first from the point of view of value, with 86,927 dozen valued at £105,067. The other principal countries of origin were Japan, the United States, Italy, and Canada, 2,092 dozen (£1,531).

HOSIERY

The value of cotton socks and stockings imported from all sources was £131,763, with £58,785 from the United Kingdom, £22,011 from Japan, £13,154 from the United States, £12,052 from China, £8,788 from Italy, £3,792 from Germany, and £1,764 from Canada. Imports of woollen and rayon stockings were valued at £137,585 and £121,115 respectively, most of the former being from the British Isles, although Canada contributed to a value of £279. Canada was in first place among the suppliers of rayon hosiery with £42,412, followed by the United States with £30,085, and Japan with £13,601. The total value of silk hosiery imports was £520,768, £272,321 coming from Canada, £139,022 from Japan, £93,853 from the United States, and £8,515 from the United Kingdom. Australia, Germany and Italy were also credited with supplies which in each instance exceeded £1,000 in value. Imports of socks and stockings other than those specifically mentioned above had a total value of £181,806 in 1939, £65,981 coming from Canada, £47,608 from the United States, and £36,267 from the United Kingdom.

UNDERCLOTHING

The value of undershirts entering South Africa during the period under review was £162,318, £55,114 coming from Hongkong, £50,361 from the United Kingdom, £41,921 from the United States, and £1,805 from Canada. The figure for non-enumerated woven cotton underclothing was £87,589, slightly less than 50 per cent of this total coming from the United Kingdom, £22,508 from the United States, £2,322 from France, and £1,762 from Canada. Non-enumerated woven rayon underwear imports were quoted at £52,271, the United States and Japan being the principal countries of origin. Other woven underwear came principally from the United Kingdom. The same was true of men's knitted vests, trunks and pants of cotton. Out of a total value of £102,753, £88,520 was of British origin, while £2,925 came from Canada, and £3,698 from the United States.

Men's knitted vests, pants and trunks of rayon were of less importance, the total value being only £5,983, with £3,925 from the United Kingdom, £909 from the United States, and £661 from Canada. The United Kingdom was also the principal country of origin for women's underclothing, the aggregate value of knitted vests, knickers, slips and combinations of cotton being £91,366 and of rayon, £113,274. In the case of the former, Canada participated to the extent of £476 and of the latter to £9,798. Germany was shown the second largest supplier of knitted rayon women's underwear, the value being £14,922. Imports of all other unenumerated knitted underwear were valued at £104,067, with half of the total coming from the United Kingdom.

BLANKETS, RUGS AND SHEETS

Cotton and cotton and wool blankets, rugs and sheets, containing 60 per cent or more cotton with each article exceeding 12 ounces in weight, came principally from Italy. The total value was £62,879, that country being credited with £36,959, the United States with £11,159, Belgium with £7,186, and Canada with £453. Imports of other cotton sheets, rugs and blankets had a total value of £17,810, including £11,637 from Japan and £196 from Canada. Woollen and wool and cotton blankets containing less than 60 per cent of cotton are imported from the United Kingdom and Italy, the value from the former country in 1939 being £79,949 and from the latter, £50,896. Kaffir sheeting came principally from the United Kingdom and Japan, while canvas piece-goods and made-up canvas articles also came from the United Kingdom.

COTTON PIECE-GOODS, SEWING AND KNITTING YARNS

Imports of the former amounted to 210,866,900 yards and had a value of £3,991,794 during the period under review. The United Kingdom, which is aided by a tariff preference, supplied 154,329,737 yards valued at £3,089,210. Other suppliers included Belgium with 2,435,275 yards valued at £131,337; Italy, 1,830,701 yards (£56,841); Japan, 48,675,411 yards (£583,018); and the United States, 2,514,839 yards (£82,622). Canada was among the minor sources of supply, being credited with 13,332 yards valued at £389. Sewing and knitting yarn of cotton, which had a total value of £255,411, came largely from the United Kingdom, although there was a small entry from Canada, also from Australia, the Netherlands, and Japan.

HOUSE FURNISHINGS

The value of carpet and floor rug imports was £340,256, with £229,792 coming from the United Kingdom. The United Kingdom and the United States share most of the import trade in carpet and asphalt felt, which in 1939 was valued at £26,169. Curtains and curtaining had a value of £27,299, with £18,155 coming from the United Kingdom, £4,144 from Japan, and £441 from Canada. As regards imitation leather and similar materials for upholstery, total imports were valued at £83,611, the United Kingdom contributing £50,008; the United States, £30,502; and Canada, £724. Linoleum and floor-cloth imports, which totalled £180,743, came from the United Kingdom (£146,231), and the United States (£25,979); Canada being far behind with £299. Out of oilcloth imports totalling £33,935 in value, £18,542 was of United States origin; £13,030, British; and £1,846, Canadian.

The two principal countries supplying towels to South Africa are the United Kingdom and Japan, each of which in 1939 was credited with a figure slightly in excess of £76,000.

HABERDASHERY

Handkerchief imports were valued at £157,770, with £125,885 from the United Kingdom. That country was also shown as having been the source of supply of 80 per cent of South Africa's imports of embroidery and lace. Imports of millinery articles were valued at £4,476, including £1,822 from the United Kingdom, and £1,128 from France. Ties entering South Africa from abroad were valued at £54,373, with £47,100 from the United Kingdom, and £3,079 from the United States. There were also small imports from Canada valued at only £44.

Canada was credited with ribbons and sashes having a value of £300 out of total imports of £37,226. Half of this total was from France, with Switzerland and the United Kingdom next in order. Imports of unenumerated haberdashery articles were worth £595,168, including £237,757 from the United Kingdom and £18,819 from Canada. France supplied to the value of £199,861 and Switzerland £52,075.

Japan, with £23,607, was the principal country of origin for buttons and studs, total imports being valued at £73,342. Other purveyors were the United Kingdom with £12,902; Germany, £8,344; the United States, £7,026; Italy, £7,403; Czecho-Slovakia, £5,174; and Canada, £879. Imports of other hard haberdashery articles, including pins and needles, were valued at £103,460, with £343 from Canada. Most of this value was from the British Isles.

MISCELLANEOUS TEXTILE PRODUCTS

Woven rayon piece-goods during the period under review were imported to the extent of 31,172,510 yards valued at £1,081,921, the United Kingdom and Japan being the leading shippers. Other contributors were France, 1,653,549 yards valued at £91,712; and Italy, 2,342,426 yards valued at £108,724. Canada participated to the extent of 13,046 yards valued at £1,038.

The United Kingdom leads the list of suppliers of rope and cordage. Silk piece-goods imported were valued at £183,439, £108,869 coming from the United Kingdom, £54,218 from Japan, £130 from Canada. The United Kingdom supplied tents and tarpaulins valued at £3,052 out of total imports valued at £3,184.

There were no imports of binder twine from Canada in 1939, although at one time this was an article of some importance to Canadian trade. The total quantity entering the country during the period was 1,905,808 pounds valued at £22,693. The United States shipped 1,027,404 pounds valued at £13,553; Belgium, 526,430 pounds valued at £5,277; and the Netherlands, 84,370 pounds valued at £834. Italy was the leading country of origin for woollen piece-goods. Knitting and darning wool came largely from the United Kingdom.

MID-YEAR CONDITIONS IN SOUTH AFRICA

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, July 11, 1940.—There is evidence of a certain hesitancy in general business conditions in South Africa as the second half of the year commences. Following the dullness experienced during the months immediately succeeding the outbreak of the war there was a tendency to over-purchase in anticipation of a rising market and inadequate supplies. As a result, stocks of many commodities remain heavy and normal replenishment tends to be retarded. An added unsettling factor has been the trend of events in Europe, with the extension of the war zone to Northern Africa and the concurrent enlargement of the Union's war effort.

Trade conditions remain basically sound, however, with the future depending entirely on the development and course of hostilities. Secondary industries continue to be relatively well employed, due partly to the war requirements of the Government. Building activities are slow. The market for wool, the Union's principal agricultural export, is quiet, and the same condition applies as far as other farm products, such as corn and hides and skins, are concerned.

The latest preliminary estimate of the corn crop given by the Department of Agriculture and based on conditions prevailing at the end of May is 21,221,000 bags of 200 pounds against an earlier forecast of 20,114,000 bags. Wheat crop prospects have improved and the outlook is favourable.

Gold production continues to increase and the declared output in May amounted to the record figure of 1,186,063 fine ounces or 15,300 fine ounces more than the record established in the preceding month. Railway earnings have reached a new high level. The commercial banks in their returns at May 31 showed public deposits of £104,059,197, which exceeds the level prevailing before the outbreak of the war. Statistics which have just been released regarding the internal and external payments of declared dividends and of debenture and other interest during the second half of 1939 show a grand total of £11,693,903 in comparison with £10,171,982 for the corresponding six months of the preceding period. The betterment was chiefly due to increased gold-mine earnings.

The returns of bank clearings, which are a certain barometer of business activity, reveal a substantial increase for the first half of this year in the seven large centres of the Union. The total was £508,933,173 as compared with £456,674,680 for the preceding six months and £468,991,217 for the first half of 1939.

As regards foreign trade, during the first five months of 1940 imports amounted to £45,617,712 or about £5,694,000 more than during the corresponding period of 1939. Exports, excluding gold bullion and specie, rose by about £6,550,000 to £19,499,337 owing largely to increases in the values of exports of diamonds, wool, sugar and corn.

TRADE OF TANGANYIKA TERRITORY IN 1939

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, June 29, 1940.—Comparative figures for the total trade of Tanganyika Territory during the past four years are shown in the appended table, the values in each case being exclusive of transit merchandise and of bullion and specie; exports of unrefined gold produced in the territory are, however, included in the export totals:—

	1936	1937	1938	1939
Total merchandise imports	£3,201,013	£3,782,574	£3,246,830	£2,799,784
Government imports	155,847	141,521	201,745	239,889
Total imports	3,356,860	3,924,095	3,448,575	3,039,673
Domestic exports	4,516,284	4,969,452	3,707,561	4,264,838
Re-exports	289,674	342,012	343,173	320,820
Total exports	4,805,958	5,311,464	4,050,734	4,585,658
Total trade	8,162,818	9,235,559	7,499,309	7,625,331

Import trade in 1939 was adversely affected by the political uncertainty of the first eight months, and it was further considerably disorganized by the outbreak of war in September. The decline of £410,000 was, however, more than offset by an increase of £535,000 in the value of exports, and the total trade exceeded that of 1938 by over £125,000. The visible balance was affected by the exceptional conditions prevailing throughout the year and was abnormally high. The excess of exports over imports amounted to £1,545,985 in comparison with £602,159 in 1938 and £1,387,369 in 1937.

During the year under review 28·7 per cent of Tanganyika's total exports were represented by sisal. Gold, with 23 per cent, was second, cotton (13·1 per cent) was third, and coffee (10·9 per cent) was fourth. Hides, rice and copra were among the other more important export products.

As regards imports, cotton piece-goods accounted for 20·2 per cent of the total value. Vehicles and parts (8 per cent) came next in value, followed by machinery (5·8 per cent), motor spirits (4·7 per cent), foodstuffs (4·6 per cent), and iron and steel manufactures (4·1 per cent). Other leading imports include textile manufactures, apparel, tobacco and cigarettes, drugs, chemicals, and flour.

IMPORT TRADE

During the period under review slightly more than 25 per cent of Tanganyika's total imports came from the United Kingdom. Japan was a close second with more than 20 per cent.

The leading countries of origin, together with the value and percentage of total imports credited to each, were as follows:—

	£1,000	Per Cent of Total
Total all countries	2,780	100.0
United Kingdom	784	25.8
Kenya and Uganda	376	12.3
India	193	6.3
Japan	640	21.6
Germany	248	8.1
United States	237	7.4
Netherlands Indies	110	3.6
Netherlands	84	2.7
Belgium	42	1.3

Machinery was the principal item imported from the United Kingdom, the value of arrivals under this heading being £100,845. Other leading articles included cigarettes, £63,525; chemicals, drugs, dyes and colours, £50,618; cotton piece-goods, £41,650; non-enumerated iron and steel manufactures, £32,258; motor vehicles and cycles, £27,513; tires and tubes, £21,895.

Kenya and Uganda supplied principally sugar, wheat, flour, hides and skins, cigarettes, and maize. Jute bags and sacks headed the imports from British India, followed by cotton piece-goods. Close to 80 per cent of the total imports from Japan were made up of cotton piece-goods. The only other items of importance from that country were wearing apparel and artificial silk piece-goods.

Germany supplied machinery, tools and implements, chemicals, drugs, dyes and colours, cotton blankets, railroad equipment, and miscellaneous hardware products. About 50 per cent of the total imports from the United States consisted of motor vehicles and cycles. The former were valued at £108,990, while tubes and tires of United States origin were valued at £6,198. The Dutch East Indies supplied motor spirit and kerosene; the Netherlands, cotton piece-goods and condensed milk; and Belgium, galvanized iron sheets.

Imports from countries other than those mentioned above were small and in no case amounted to more than a fraction of 1 per cent of the total.

IMPORTS FROM CANADA

The volume and value of Canadian products imported into Tanganyika Territory are not large; the important items are automobiles and automobile accessories. No information is available regarding the value of the territory's total imports from Canada. The commodities specified in the trade returns, together with the value of each are: tinned meat, £17; canned fish, £398; fresh fruits and vegetables, £166; tinned fruits and vegetables, £100; condensed or desiccated milk, £312; unspecified canned provisions, £164; other non-specified foodstuffs, £132; spices, extracts and essences, £20; plywood and pulpboard, £2,099; lumber, including planed, grooved or tongued, £104; non-specified cutler's ware, £21; ploughs, harrows and cultivators, £206; agricultural machinery and parts, £17; industrial machinery and parts, £140; packing paper, £451; non-specified paper products, £31; motor cars, 115 valued at £15,296; motor trucks with a carrying capacity of less than 3,000 pounds, 10 valued at £1,178; motor trucks with a carrying capacity of 3,000 pounds and over, 46 valued at £8,571; automobile accessories, £3,284; motor car tires, £720; truck tires, £2,230; automobile tubes, £52; truck tubes, £246; non-specified rubber manufactures, £165.

British Columbia is listed in the official statistics, in addition to Canada, as the source of supply of canned fish valued at £70 and lumber valued at £111.

EXPORT TRADE

The United Kingdom took 37·1 per cent of Tanganyika Territory's exports in 1939; Kenya and Uganda followed with 23·4 per cent. In the case of the United Kingdom, gold and sisal accounted for over 80 per cent of the total value of £1,583,000. Coffee was the principal commodity exported to Kenya and Uganda. Other British Empire countries absorbed 13·3 per cent of Tanganyika's exports. The United States took 6·4 per cent valued at £274,000, sisal being the principal item. Germany was credited with 4·9 per cent valued at £207,000, Belgium with 4·6 per cent valued at £198,000, and France with 3 per cent valued at £126,000. Sisal was the most important commodity purchased by the first three of these countries. Hides were in first place among items exported to France. Exports to Canada included sisal valued at £63,481 and beeswax valued at £2,180.

IMPORT TARIFF SITUATION

Owing to treaty and mandatory obligations, there is no British preferential tariff in Tanganyika. The basic fiscal rate is 20 per cent ad valorem assessed on the domestic value of goods in the exporting country, to which are added

freight and other charges up to the time of importation. Specific duties are charged on goods which lend themselves to such a form of assessment. In the case of certain commodities, such as piece-goods and some articles of wearing apparel, minimum specific duties are fixed in conjunction with the normal *ad valorem* rate. A reduced duty of 10 per cent is imposed on building requisites, artisans' tools and most raw materials. The free list includes what are termed development imports, such as machinery; road, rail and water transport equipment; aircraft; packing materials; and agricultural and mining implements. Exemption from duty is granted in the case of drugs, medicines and disinfectants; filters and refrigerators; and surgical and scientific and educational requisites.

Since 1923 the customs tariff of Tanganyika has been identical with that in force in Kenya and Uganda. A duty-free interchange of the local products of these three territories is also permitted, there being thus a virtual customs union between Tanganyika and the other British East African Colonies.

BUSINESS CONDITIONS IN CHILE, JANUARY-APRIL

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

Lima, July 9, 1940.—Data now available, which includes returns up to the end of April of this year, permit of an analysis of Chilean economic conditions for the first four months of the year.

The first forecast of the General Statistical Office indicates a fall in expected grain harvest returns in comparison with those of 1939-40. The figures are: wheat, a decline of approximately 9·9 per cent to 8,700,000 quintals; barley, a decrease of 29·9 per cent to 763,000 quintals; oats, down 44·7 per cent to 843,000 quintals. Lowered wheat returns are due to rust and rain during harvesting. There was practically no change in the area sown. Unfavourable weather conditions account for the lower figures for oats and barley.

A higher level of production in mining was registered in the first three months of the year but output in April declined. Copper output fell in April to 34,738 tons from 35,895 tons during March; however, it exceeded that of April, 1939, by 10,599 tons. Coal output, after falling in March to 141,266 tons, rose to 160,514 tons in April, an increase of 19,307 tons over April, 1939. Gold production declined to 680·7 kilograms in April as compared with 1,563·4 kilograms in March.

The index for manufacturing production in April rose 15·1 points over the figure for March to 168·4 at which it was 11·4 points higher than in April, 1939. Sales of manufactured goods declined slightly.

Wholesale prices continued their upward trend and the general index figure in April was 458·8, which was 49·7 points higher than in April, 1939. Prices for certain farm products and nationally manufactured products rose, while those for mining and imported products dropped.

The cost of living continued to rise under all headings, but the principal advance was in foodstuffs and rents. The general index at 202·6 was up 5·3 points (2·7 per cent) above the figure for March and 17·2 points (9·3 per cent) above the level of April, 1939.

Total foreign trade for April was valued at 120,000,000 gold pesos as compared with 97,400,000 gold pesos in April, 1939. Exports were valued at 80,300,000 gold pesos, showing a decline of 2,600,000 gold pesos. This decline was due to lower shipments of mining products. Exports of live-stock produce

rose while those of farm produce remained unchanged. Imports totalled 39,700,000 gold pesos, an increase of 5,300,000 gold pesos over March and 11,000,000 over April, 1939.

Bank deposits rose in April by 34,600,000 pesos to 2,585,400,000 pesos, this figure including 77,700,000 pesos in foreign currency. Bank advances amounted to 3,305,100,000 pesos, including 74,600,000 pesos in foreign currency and showing an increase of 42,800,000 pesos. Currency in circulation totalled 1,303,500,000 pesos, an increase of 29,100,000 pesos over April, 1939. The greater part of the increase went to augment the currency in the hands of the public which rose to 993,800,000 pesos.

Early in May negotiations were concluded for a loan from the United States Export-Import Bank by the Corporation of Development and Production. The former has granted directly to the Corporation a credit up to U.S.\$12,000,000. The Export-Import Bank will finance approximately 70 per cent of each purchase, the remaining 30 per cent being for the account of United States manufacturers. As a result it is expected that the Corporation will be able to effect purchases in the United States for a total of U.S.\$17,000,000.

CONTROL OF EXPORTS FROM CANADA

Exports to Certain Spanish and Portuguese Possessions

By Order in Council (P.C. 3724), the exportation of any goods from Canada to the following African and Atlantic possessions of Spain and Portugal is prohibited except under permit issued by or on behalf of the Minister of National Revenue:—

Madeira Islands

Canary Islands

Cape Verde Islands

Azores

Spanish possessions in Africa north of the Equator

Portuguese possessions in Africa north of the Equator

International Zone of Tangier

Applicants for permits shall furnish in respect of each proposed shipment for export to the countries named information in writing in the manner and form approved by the Minister of National Revenue. Application forms may be obtained on direct application to the Department of National Revenue.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

IMPORT REGULATIONS AFFECTING GIFTS OF FOOD

On account of the import licensing system adopted in the United Kingdom on September 5, 1939, and its extension as from March 19, 1940, to include practically all foodstuffs, and also because of certain rationing and requisitioning orders of the Ministry of Food; many inquiries are received in the Department of Trade and Commerce respecting import regulations applicable to gifts of food sent by Canadians to persons in the United Kingdom. Rationing orders have been issued as regards butter, sugar, tea, bacon, ham, margarine, lard and other cooking fats (except dripping and suet) and meat (except pork and canned

meats). These foods, and, in addition, pork, canned meat, dried fruits, cereals, and products produced by the milling of cereals are also subject to requisition on arrival in the United Kingdom.

The general position all along has been that bona fide gifts sent by parcel post from private senders to private addressees were not subject to licensing arrangements, but if gifts were included in cargo, an application for licence should be made by the importer to the Import Licensing Department, 25 Southampton Buildings, Chancery Lane, London, W.C. 2.

A press notice was issued by the Ministry of Food on July 22, 1940, stating that the procedure regarding gifts of food sent to the United Kingdom from abroad had been reviewed by the Ministry of Food, and in future such gifts would be allowed only subject to the following conditions:—

Bona fide unsolicited gifts, whether they include rationed foods or not, may be received from abroad by parcel post provided they are addressed to individuals. No permit is required. All parcels must be clearly marked as gifts.

Where well-wishers abroad desire to send larger quantities of foodstuffs (which must not include rationed foods) they must first arrange for some responsible organization in this country formed for charitable or similar purposes to be the recipient of such gifts. Application for a licence must then be made to the Ministry by the organization which will be required to give an undertaking that the goods will be consumed within that organization. For example, if the recipient is a hospital the food would be supplied to patients or members of the staff.

In the case of neither parcels nor larger consignments will it be permitted to send any money out of the United Kingdom in respect of gifts of food.

Attention is drawn to the provision of the Rationing Order, 1939 (S.R. & O. 1856) under which it is an offence to obtain or attempt to obtain or to supply or attempt to supply any rationed food in excess of the ration. It is an offence therefore to send abroad for supplies of rationed food.

DUTIABILITY

While goods entering the United Kingdom are not exempt from import duty on the ground of being imported as gifts, most goods shown to be British Empire products within the meaning of Imperial preference regulations and consigned direct to the United Kingdom from a part of the British Empire are admissible free of customs duty whether sent as gifts or sent in the ordinary course of trade. Foodstuffs which are subject to duty (preferential) even when of Empire origin include sugar, confectionery or any other goods of which sugar is an ingredient, maple sugar and maple syrup, tea, coffee, preparations of cocoa, alcoholic spirits or goods containing spirits.

CERTIFICATE OF ORIGIN

Whether foodstuffs are duty free or subject to a British preferential rate, a certificate of origin is necessary to establish their right to be admitted as British Empire products. If the goods are not merchandise for sale, and do not exceed £10 in value for any one addressee, and in the absence of ground for suspicion, the following short form will be accepted as satisfactory evidence of Canadian origin for gifts of food other than refined sugar, molasses and extracts from sugar:—

The contents of this package are not merchandise for sale, and every dutiable article herein is the growth or produce, or, if a manufactured article, is to the extent of at least 25 per cent of its present value bona fide the manufacture of Canada.

Signature of Sender.....

This certificate may be enclosed in the parcel with a note to that effect on the wrapper. The customs declaration furnished by the Post Office, showing a description of the goods and their value, should also be attached.

IMPORT LICENSING REGULATIONS

The Chief Canadian Trade Commissioner in London writes that the Board of Trade announce that from July 25, 1940, until further notice the following commodities may be imported into the United Kingdom from all countries without individual licences, since an Open General Licence has been issued authorizing the import of these goods:—

Hoofs.

Animal, ivory, raw, whether whole tusks or sections of tusks, not cut to shape or in any way prepared, treated or worked.

From the same date the Open General Licence authorizing the importation of the following goods from all countries has been revoked and individual licences will be required:—

Talc, steatite and soapstone, ground and unground, including French chalk and asbestine.

It is pointed out, however, that individual licences will not be required for any such goods proved, to the satisfaction of H.M. Customs and Excise, to have been despatched before July 25 and which are imported into the United Kingdom before September 25, 1940.

Australia

IMPORT RESTRICTIONS IN FOURTH LICENSING PERIOD

Mr. R. P. Bower, Assistant Trade Commissioner at Sydney, wrote on July 6 that the fourth licensing period under the Customs (Import Licensing) Regulations covers the period July 1 to September 30, 1940. The importing interests had pressed for longer licensing periods so that their forward buying would be facilitated, but the authorities refused the request on the ground that the situation requires adjustment more frequently than every six months.

A number of additional restrictions became effective on July 1, some of which are of interest to Canadian exporters. On the basis of shipments to this country during the base year (twelve months ended June 30, 1939), these new restrictions would reduce imports from Canada a further \$670,000, and imports from all non-sterling sources combined by \$9,330,000. It does not necessarily follow that Canadian exports to Australia will be \$670,000 less in the coming year than in the base year, because there is certain to be an increase in the shipments of "admissible" items, as Canadian suppliers are called upon to replace sources now cut off by the war in Europe.

[Articles dealing with commodities affected by the additional restrictions of July 1, 1940, were published in *Commercial Intelligence Journal* No. 1901 (July 6, 1940), page 32, and No. 1906 (August 10, 1940), page 230.]

RAW MATERIALS FOR ESSENTIAL INDUSTRIES ONLY

It will be remembered that Import Restrictions were originally introduced in Australia for the purpose of conserving dollar exchange for the purchase of essential war material. In the early stages, raw materials for local industries were favoured to some extent, where it was apparent that suitable supplies were not available from sterling sources. The Government has now indicated that such relaxations will in future only be made where the industry concerned is considered an essential one, and that raw materials from non-sterling countries for the manufacture of luxury lines will have to be drastically curtailed even if it involves decreased output.

REGULATION OF CERTAIN COMMODITIES

Aluminium Powder, Paste and Bronze Powders.—It has been decided that in future licences for the above commodities will be issued on a quantitative basis, and that for the purpose of establishing base-year importations, importers may include quantities imported from the United Kingdom as well as from non-sterling countries.

Unbleached Cotton Piece-Goods.—These goods are now considered to be a seasonal product and licences may be issued up to 50 per cent by value of base-year imports.

Boracic Acid.—Licences may be issued for importations of boracic acid in excess of base-year figures where it is established that it is for use in the treatment of plywood or veneers, or where the payment can be arranged in sterling.

Fruit Pectin.—Licences for fruit pectin in bulk may be issued up to 100 per cent of base-year imports. Other fruit pectin is prohibited.

Grease Guns.—Grease guns forming part of original equipment of tractors or motor vehicles are not at present subject to the restrictions applying to grease guns. After October 1, 1940, all grease guns are to be totally prohibited.

Artificial Silk Yarn.—According to a licensing instruction issued June 20, 1940, importers of artificial silk yarn must show their imports of such yarn from each country of supply during the base year. Separate licences will be issued according to each country, and transfers of licences of yarn from one non-sterling country to another will not be permitted.

The effect of this decision is that from July 1, 1940, importers who obtained yarn during the base year from countries now unable to supply (e.g. Holland, Belgium and Italy) will not be eligible to obtain further licences. Licences will only be issued in favour of importers who obtained the yarn in the base year from non-sterling areas still in a position to supply.

EXPIRATION OF LICENCES—PERIOD OF GRACE

To obviate the large number of adjustments which have had to be made because importers have been unable to clear merchandise before the expiration of their import licences, it has been decided as from July 5, 1940, to grant 21 days' grace to all outstanding licences, as well as those to be issued in future. The period of grace will not apply to licences covering goods on order prior to December 1, 1939.

EXEMPTIONS FROM THE REGULATIONS

The following commodities for the time being are exempted from the provisions of the Australian Customs (Import Licensing) Regulations: roller bearings and ball bearings, sodium cyanide (from Canada only), phthalic anhydride, and raw materials for use in the manufacture of essential oils.

GROUPING OF CERTAIN PIECE-GOODS

The following tariff items may be grouped for the purpose of determining base period imports: 105 (A) (1) (a), cotton piece-goods and piece-goods containing a mixture of fibres in which cotton predominates; and 105 (O), piece-goods known as organdie, wholly of cotton or containing a mixture of fibres in which cotton predominates.

TARIFF DECISIONS

Recent Australian Customs decisions, as to the tariff classification and rates of duty on articles regarding which question had been raised, include the following:—

Alloys in the form of blocks, ingots, pigs, briquettes or slugs, basically of copper, containing chromium and/or lithium, for alloying purposes, are free of duty under the British preferential tariff, and dutiable at 15 per cent ad valorem under general tariff (by-law under item 415A2).

Water bore casings, 8 inches and over *external* diameter, are free of duty under British preferential tariff and dutiable at 15 per cent ad valorem under general tariff (by-law under item 415A2). The decision referred to in *Commercial Intelligence Journal* No. 1886 (March 23, 1940), page 456, respecting water bore casings 8 inches and over *internal* diameter, has been cancelled.

Silk, and artificial silk, woven in the grey (or gum) or in a degummed but unbleached condition, for use in the manufacture of screen printed piece-goods; also silk woven in the grey (or gum), not boiled or bleached, for use in the manufacture of dyed and finished silk piece-goods; are free of duty under British preferential tariff and dutiable at 15 per cent ad valorem under general tariff (by-laws under item 404).

Piece-goods of oiled cotton, or of oiled cotton and silk, for the manufacture of parasols, sunshades and umbrellas, are dutiable at 5 per cent ad valorem under the British preferential tariff and 20 per cent ad valorem under the general tariff (by-law under item 434).

Canadian goods under the above items, having the required content of Canadian and/or Australian material and labour, and shipped in accordance with Australian regulations, are entitled to British preferential tariff rates. Goods from all countries outside the British Empire are subject to general tariff rates.

CURRENT DOMESTIC VALUE OF GOODS AT SHIPPING DATE

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, writing under date July 8, 1940, especially directs the attention of Canadian exporters, the prices of whose products have varied since the commencement of the war, to the requirement of the Australian Customs Department that invoices should show, in addition to the selling price, the current domestic value of the goods *at the date of shipment*.

Officials of the Australian Customs Department, Mr. Palmer states, feel that, as prices for commodities being sold in overseas countries have in general increased since the commencement of the war, the domestic value of the goods at the date of shipment is scarcely likely to be the same as that ruling when the order for the goods was placed at a fixed price some months before shipment. Several cases have already arisen when importers have been unable to produce evidence to satisfy the Customs Department regarding the values shown in the "current domestic value" column, with the result that higher duty had to be paid pending receipt of satisfactory evidence.

For the information of exporters, Section 154 of the Australian Customs Act defines current domestic value as "the amount for which the seller of the goods to the purchaser in Australia is selling or would be prepared to sell for cash, *at the date of exportation* of those goods, the same quantity of identically similar goods to any and every purchaser in the country of export for consumption in that country."

Canadian exporters would, therefore, be well advised to consult the Foreign Tariffs Division of the Department of Trade and Commerce, Ottawa, or the Australian Government Customs Representative at 630 Fifth Avenue, New York City, U.S.A., in the event of any doubt arising regarding their current domestic values if such values have shown an upward tendency between the time of the receipt of orders from Australia and the despatch of the goods from Canada. Such a precaution will obviate any difficulty arising in Australia.

New Zealand

TARIFF DECISIONS

Recent decisions of the New Zealand Department of Customs as to the classification and rates of duty on articles regarding which question had been raised include the following:—

General propellers, and hose clips or couplings, specially manufactured for use in flying-machines and on satisfactory declarations that they will be used only on such machines, will be admitted free of ordinary customs duty under both British preferential and general tariffs (but subject to 3 per cent ad valorem *primage* duty) under tariff item No. 448.

The following are admissible under item 448 free of ordinary duty under the British preferential tariff and at 20 per cent ad valorem plus 22½ per cent of duty under the general tariff (3 per cent ad valorem primage duty in either case): waxing soda straw sulphite paper in rolls not less than 10 inches wide for use in the manufacture of drinking straws; metal stampings for use in the manufacture of casein or similar plastic belt clasps; metal inserts for synthetic resin handles of electric irons (item 448).

Metal-working presses, whether hand or foot operated, are admissible free of duty under the British preferential tariff, at 20 per cent ad valorem when from "most favoured nations", and at 25 per cent ad valorem plus 22½ per cent of duty when from other foreign countries (item 351-10).

Gas decontamination suits, anti-gas suits, clothing, and textile over-boots (not including boots or leggings) of approved patterns, are admissible free of ordinary duty (but 3 per cent ad valorem primage duty) under all tariffs (item 441).

Canadian goods under any of the items quoted above, accompanied by the prescribed certificate of origin and shipped in accordance with New Zealand regulations, are admitted under the British preferential tariff. Goods from all countries outside the British Empire are subject to general tariff rates, except where rates for "most favoured nations" are stated.

Southern Rhodesia

IMPORT AND EXPORT RESTRICTIONS ON AGRICULTURAL PRODUCTS

A Southern Rhodesia Notice, effective June 21, 1940, prohibits, except under permit granted by the Minister of Agriculture and Lands, the importation into, or exportation from, Southern Rhodesia of the following agricultural products: maize and maize products; beef or beef products; butter; eggs; cheese; pigs, bacon or pig products; ground-nuts; sunflower seeds. The prohibition is in exercise of powers conferred on the Minister of Agriculture and Lands under Section 4 of the Emergency Powers Defence Act, 1939.

TARIFF CHANGES

The Southern Rhodesia Customs and Excise Amendment Act, 1940, promulgated on June 28, 1940, contains a number of changes in the customs tariff, including the following items:—

	Former Rates			New Rates		
	Duty A	Duty B	Duty C	Duty A	Duty B	Duty C
	per 100 lbs.	per 100 lbs.	per 100 lbs.	20% ad val.	15% ad val.	10% ad val.
Corn flour	3s.	2s.	2s.	20% ad val.	15% ad val.	10% ad val.
Ploughs and parts thereof..ad. val.	5%	Free	Free	15%	Free	Free
Spare parts for tractors, steam wagons and trailers therefor..ad val.	5%	Free	Free	25%	20%	5%
Bricks, except bath bricks .. ad val.	Free	Free	Free	25%	10%	10%
Tires, pneumatic, for aircraft. . . .	1s. per lb.	1s. per lb.	6d. per lb.	10% ad val.	Free	Free
Tires, solid, for aircraft	3d. per lb.	2d. per lb.	2d. per lb.	10% ad val.	Free	Free
Tubes for aircraft.	1s. per lb.	9d. per lb.	3d. per lb.	10% ad val.	Free	Free

Duty A column is applicable to all countries outside the British Empire. Duty B column is applicable to Canada, other British Dominions and India. Duty C column is applicable to the United Kingdom and British colonies.

Jamaica

IMPORT RESTRICTIONS ON FLOUR

An Order dated July 17, 1940, issued under Regulation 50 of the Jamaica Defence Regulations 1939, which empowers the competent authority to regulate or prohibit the importation of any article into Jamaica, provides that no person shall arrange to purchase abroad or import into Jamaica baking flour in bags or containers of a net weight less than 196 pounds. Baking flour imported in original bags, or other containers not exceeding 10 pounds gross weight, is exempted from the provisions of this order.

Argentina

DOCUMENTS FOR PARCEL POST SHIPMENTS

Mr. J. A. Strong, Canadian Trade Commissioner in Buenos Aires, writes that for shipments to Argentina by parcel post neither consular invoices nor certificates of origin are, in practice, required when the shipment does not exceed 550 paper pesos (at present about \$144.35 Canadian) in value. It is, however, advisable to send a copy of the commercial invoice for use in securing the exchange permit, although this is not necessary. The usual parcel post declaration covers all requirements for such shipments. When the value is more than 550 paper pesos, a consular invoice (which incorporates a certificate of origin) and a commercial invoice, legalized by the Argentine consul, must be supplied.

A leaflet on documentation for shipments to Argentina, published in 1935, supplemented by a reprint of an article which appeared in *Commercial Intelligence Journal* No. 1904 (July 27, 1940), page 156, is available to Canadian exporters on application to the Department of Trade and Commerce, Ottawa.

EXCHANGE RATE FOR COLLECTION OF CONSULAR FEES

Mr. Saul Aguilar, Consul General of Argentina in Ottawa, advises that the rate of exchange in force beginning August 1, 1940, for the purpose of the collection of consular fees, has been fixed at \$24.838 Canadian per 100 Argentine paper pesos.

Chile

MODUS VIVENDI BETWEEN CHILE AND UNITED KINGDOM EXTENDED

Mr. M. J. Vechsler, Canadian Trade Commissioner in Lima, writes that the modus vivendi between Chile and the United Kingdom, providing for exchange of most-favoured-nation treatment in tariff matters between the two countries, originally concluded on October 15, 1931, for a limited period, but prolonged from time to time, has been continued in force for a further period of twelve months from June 30, 1940.

Peru

WHEAT MILLING REGULATIONS

A Peruvian decree of July 8, 1940, requires mills which use imported wheat to acquire rye and quinoa (a Peruvian grain) of national production and to mill such products in quantities and with coefficients of extraction established by the Government. From the moment in which mills begin to produce flour from rye and quinoa, bread for consumption purposes will have to be made from the various flours in the following proportions: wheat flour, 80 per cent; rye flour, 15 per cent; quinoa flour, 5 per cent.

A decree of July 9, 1940, prohibits the importation into Peru of foreign rye in the grain or in flour, whatever may be the purpose for which it is intended.

Ecuador

IMPORT QUOTAS

With reference to the notice in *Commercial Intelligence Journal* No. 1903 (July 20, 1940), page 107, regarding the establishment of quota restrictions in Ecuador, Mr. M. J. Vechsler, Canadian Trade Commissioner at Lima, writes that an Ecuadorian decree of July 18 fixed the quantities of the goods specified that may be imported during the six months between June 15 and December 15, 1940.

These quantities, converted to their approximate equivalent in Canadian terms, are as follows: wheat flour, 33,590 barrels; hog lard, 615,600 pounds; sardines, 480,500 pounds; liquid paints, 52,900 pounds; oilcloth, 8,100 pounds; adding and calculating machines, \$7,110; automobiles, \$25,800; sewing machines, \$13,340 or 594 units; silk hosiery, \$7,840 or 44,797 pairs.

TARIFF CHANGES

An Ecuadorian decree effective June 15, 1940, increased the duties on about one-quarter of the items of the tariff of Ecuador and at the same time the duties on a few products were reduced. Among the goods on which duties were increased are: preserved milk, canned meats, lard, butter, cheese, ham, bacon, edible oils, canned vegetables, oats, biscuits, semolina, sweetmeats, tomato puree, beverages, floor polishes, varnishes, furniture, wooden boxes or cases, assembled or not, paperboard, printed forms, blank books, oilcloth and linoleum, wearing apparel, fur skins and toys. Duties were reduced on wire of iron and copper, ingots and blocks of aluminium, tin, spelter and lead, iron pipe fittings, hand tools and leather machine belting. Details of the changes are on file in the Department of Trade and Commerce, Ottawa.

TENDERS INVITED

Australia

RUBBER INSULATED CABLE

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, writes under date July 5, 1940, that the Secretary of the State Electricity Commission of Victoria has issued a call for tenders for the supply, delivery and maintenance of rubber insulated cable as follows:—

One length of 4,000 feet, in one piece, of vulcanized rubber insulated tough-rubber compound sheathed metal screened and overall tough-rubber compound sheathed cable, having three active conductors suitably insulated for use on a three-phase 6.6 kv. system with the neutral earthed, and an earthing connection comprised of one or more conductors which need not be insulated and which shall have a total cross section area equal to that of one active conductor.

Two lengths, each length of 600 feet, 4 core, 0.0225 sq. inch (91/018") vulcanized rubber insulated and tough rubber compound sheathed cable having three cores suitably insulated for use on a three-phase 6.6 kv. system with the neutral earthed and one core, which need not be insulated, for use as an earthing connection.

The specifications and contract conditions may be inspected by interested Canadian firms on application to the Department of Trade and Commerce, Ottawa, quoting file No. 26502.

Tenders for the supply of the one length of 4,000 feet of cable will close in Melbourne on October 15, 1940, and tenders for the two lengths of 600 feet of cable on September 24, 1940.

Canadian firms wishing to tender should submit quotations through their representatives in Australia. The Canadian Trade Commissioner in Melbourne will be pleased to suggest suitable agents for firms not already represented in Australia if they will communicate with him.

New Zealand

Copies of plans and specifications have been received from Mr. W. F. Bull, Canadian Trade Commissioner at Auckland, for equipment required by the Public Works Department, Wellington. These specifications are open for inspection at the Department of Trade and Commerce, Ottawa. Tenders should be addressed to the Secretary, Public Works Supplies and Tenders Committee, Wellington, in accordance with these specifications.

Particulars are as follows:—

Public Works Department.—Section 68, Palmerston North District: manufacture, supply and delivery of one 20,000 k.v.a. synchronous condenser and accessories in accordance with specification and drawing (tenders close October 8, 1940); Section 70, Palmerston North District: manufacture, supply and delivery of (a) one 7,500 k.v.a. transformer bank and spare single phase unit, and (b) two 5,000 k.v.a. transformer banks, each with spare single phase unit, to specification and drawings (tenders close October 8, 1940).

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING AUGUST 12, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for the principal exchanges for the week ending Monday, August 12, 1940, and for the week ending Monday, August 5, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Aug. 5	Nominal Quotations in Montreal Week ending Aug. 12	Official Bank Rate
Finland	Markka	.0252	\$.0219	\$.0219	4
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0073	.0073	6
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial		.2150	.2150	—
Yugoslavia	Dinar	.0176	.0249	.0249	5
Portugal	Escudo	.0442	.0424	.0423	4-4½
Roumania	Leu	.0060	.....	.....	3½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2645	.2642	3
Switzerland	Franc	.1930	.2522	.2526	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2227	.2218	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.....	.....	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.....	.....	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2431	.2506	—
Brazil	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0559	.0557	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6326	.6326	4
Peru	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.3855	.3874	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0649	.0597	—
Hongkong	Dollar	.....	.2561	.2452	—
India	Rupce	.3650	.3359	.3359	3
Japan	Yen	.4985	.....	.2601	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.....	.....	—
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5760	3.5760	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Buying and selling rates as set by the Canadian Foreign Exchange Control Board remain unchanged at \$4.43-\$4.47 and \$1.10-\$1.11 respectively for the pound sterling and the United States dollar for the week ended August 12. Free sterling (cables) at New York rose 6 cents on August 6 and continued irregularly upward to close at \$3.98½, netting a gain of 9½ cents on the week. Canadian dollars at New York eased from 87.06 cents on August 6 to 86.75 cents on the 9th, but hovered around 87 cents for the remainder of the period under review. Shanghai and Hongkong dollars at Montreal showed further weakness, the former closing ½ cent and the latter $\frac{9}{10}$ cent below the previous week's close.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.

Halifax, N.S.

Quebec, P.Q.

Montreal, P.Q.

Toronto, Ont.

Chatham, Ont.

Guelph, Ont.

Kitchener, Ont.

Brantford, Ont.

Stratford, Ont.

Woodstock, Ont.

St. Mary's, Ont.

Portage la Prairie, Man.

St. Boniface, Man.

Winnipeg, Man.

Vancouver, B.C.

New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.

Kingston, Ont.

Oshawa, Ont.

Belleville, Ont.

Peterborough, Ont.

London, Ont.

St. Catharines, Ont.

Hamilton, Ont.

Victoria, B.C.

Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.

Montreal, P.Q.

Winnipeg, Man.

Edmonton, Alta.

Vancouver, B.C.

Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency.
Miscellaneous—			
Rubber Swimming Goggles.....	539	Hamilton, Bermuda.....	Purchase.
Cut Crystal, Crystal Tableware and Unfinished Glass Table- ware.....	540	Sao Paulo, Brazil.....	Agency.
Curtain Rods.....	541	Santiago, Chile.....	Purchase.
Double Distilled Water in Am- pules.....	542	Bogota, Colombia.....	Agency.
Drugs in Ampules.....	543	Bogota, Colombia.....	Agency.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. McCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: G. R. HEASMAN, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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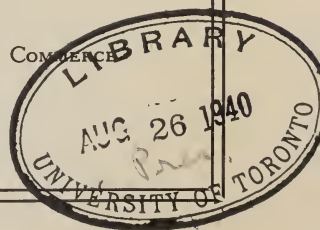
Ottawa, August 24, 1940

No. 1908



Loading Apples of the 1939 Crop at an Eastern Canadian Port

ISSUED BY AUTHORITY OF
THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE
J. G. PARMELEE, DEPUTY MINISTER



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Vol. LXIII

Ottawa, August 24, 1940

No. 1908

NEW ZEALAND'S EFFORTS TO INCREASE OUTPUT OF PRIMARY PRODUCTS

C. B. BIRKETT, ASSISTANT TRADE COMMISSIONER

Auckland, July 12, 1940.—With supplies of meat and dairy produce from Denmark and the Low Countries cut off from the United Kingdom, New Zealand recognizes the paramount importance of making good to the United Kingdom as great a part of this deficiency as her producers are capable. To this end the New Zealand Government have put plans into operation to increase materially the Dominion's production and export of primary products during the 1940-41 season and to provide for an even greater development during the 1941-42 season. The project has met with the full approval of the British Government.

To achieve the desired results the Primary Industries Emergency Regulations provide the Government with power for a widespread organization of land, materials and labour. All steps necessary for the increase in cattle and feed will be taken. In the first place the responsibility rests on the farmers, but the Government stands ready to "give financial aid; to help in procuring essential imports; to give full advisory and supervisory service; to provide plant; and to finance labour to break in suitable Crown lands or to renovate existing farms". This assistance and direction will embrace all phases of production, manufacturing, packing, freezing, storage and despatch.

EXPORT OBJECTIVES

The production drive has the following aims for export in the 1940-41 season:—

Butter.—To be maintained at last season's level.

Cheese.—To be increased by 15,000 to 20,000 tons.

Bacon.—To be increased by 10,000 tons.

Beef.—To be increased.

Mutton and Lamb.—To be maintained at least at last season's levels.

Eggs.—To be made available in the greatest possible quantity.

Pasture and Clover Seeds.—To be made available in increasing quantities.

New Zealand's exports of these products during the twelve months ended March 31, 1940, were: butter, 120,621 tons; cheese, 83,716 tons; pork, 20,744 tons; beef, 41,411 tons; mutton and lamb, 205,599 tons; eggs, no previous record; seeds, 1,972 tons.

PROGRESS AND PROSPECTS

The producing season for butter and cheese is nearly over and present indications are that production will be very much on a par with that of the 1938-39 season. To maintain this level measures are being taken to ensure an adequate food supply for stock and to step up generally the efficiency of the butter and cheese industry.

During last season the killings of pigs decreased by 25 per cent, solely due to the earlier restrictions on the shipment of porkers. The killings of baconers, however, increased by over 60 per cent; every effort is being made to bring the supply of this type up to capacity. The problem here will be the ensuring of adequate supplies of feed at suitable prices.

It is confidently expected that the quantity of beef can be increased by better feeding; while the mutton and lamb situation can be improved by building up the ewe flock and holding lambs to a higher average weight. Beef killings to May 11 of this year total 372,567 quarters as compared with 306,436 quarters for the corresponding period of last season. Lambs killed this season total 9,453,704, representing a very substantial increase over last season's total of 635,734. Mutton killings at 2,907,991 show an increase of 400,000 carcasses, despite a substantial reduction in killings of wethers.

Particulars available up to May 11 of this year show that from the start of the killing season on October 1, 1939, the total freight carcasses of all classes of meat killed for export were 10,683,144 as compared with the previous season's figure of 9,589,825. This represents an increase in 60-pound freight carcasses in the current season of over 11 per cent.

When the killing season opened there was a heavy carryover of meat in store, owing to the operation of the mutton quota in respect of imports into the United Kingdom. The restrictions were removed when war started. A survey of meat in store as at May 11 this year shows that, despite the necessity of providing tonnage for the carry over and also the improved volume of production during the current season, the position in regard to stocks on hand must be considered satisfactory.

The production of eggs for export is something new for New Zealand farmers. By improved feeding during 1940, increasing the pullet flock in 1941, and the holding of suitable hens for the third season, it is believed that good quantities of eggs can be made available for export.

Recent reports reveal that the Government's appeal for increased production is receiving a prompt and practical response. Live stock of all descriptions is being forwarded to freezing works in steadily increasing numbers and, given a continuance of normal conditions of weather and labour, this season's operations should constitute a record for quantities handled.

The shipment of supplies to Britain is becoming more difficult. Nevertheless New Zealand produce has been going forward in a satisfactory manner so far, despite all difficulties. Though the stocks awaiting shipment show an increase as compared with stocks at this time last year, this increase is less than the current season's increase in killings.

PRODUCTION OF LINEN FLAX

In addition to measures in force to increase the production of wheat, barley and maize, which are essential to any increase in animal products, a scheme introduced by the Government is now in operation to produce linen flax in commercial quantities. It has received immediate support and more than the required land of 15,000 acres has been set aside for this season's production.

Research carried on a year or two ago proved by field trials that good flax grown from European seed can be produced in New Zealand. The authorities, therefore, are confident of being able in a short time to furnish Great Britain with increasing supplies of this much-needed raw material.

Farmers contracting to grow flax will be protected against loss from drought, fire, flood or any other cause and they will receive a fair price for their product. The price for straw from which seed has been taken is set at £4 5s. per ton. Prices for seed are: crops accepted, £25 per ton; crops rejected, £35 per ton. A rejected crop carries a higher price for the reason that all expenses involved in harvesting, threshing, dressing, and delivery must be borne by the farmer. The Government bears this expense where a crop is accepted. Bonuses will be given for quality crops.

CANADA'S POSITION IN REGARD TO NEW ZEALAND'S FORMER TRADE WITH PRESENT ENEMY TERRITORY

C. B. BIRKETT, ASSISTANT TRADE COMMISSIONER

Auckland, July 8, 1940.—Were it not for the severe import and exchange control regulations that have been in operation in New Zealand since December, 1938, a good proportion of the imports drawn before the war from Germany and the countries now under her control would undoubtedly be now purchased from Empire and other sources still free to trade in this market. The drastic restrictions and prohibitions imposed by these regulations on a very wide range of imports, however, have very largely nullified any advantage that might have accrued to other suppliers. These regulations have been so drawn up that, in respect to the limited number of imports diverted from the countries under consideration, first preference has been given to the United Kingdom, second preference to other British Empire countries, and third to foreign countries. Only those products regarded as absolutely essential to New Zealand's economy are permitted entry.

IMPORTS FROM ENEMY AND ENEMY-CONTROLLED COUNTRIES

The total value of New Zealand's imports during 1938 from Germany, Belgium, Sweden, Holland, France, Czecho-Slovakia, Italy, Finland and Norway reached £3,089,634. Of this total Germany was credited with £1,118,585, or approximately 36 per cent. The importance of the other countries was in the order named. Belgium contributed to the extent of £518,498; Sweden, £404,913; Holland, £269,913; France, £235,274; Czecho-Slovakia, £190,379; Italy, £163,746; Finland, £115,991; Norway, £72,335.

In the following tables are shown the leading commodities imported into New Zealand during 1938 from each of these countries, the value of imports of each item and the restrictions upon importation of each item from Canada. As regards the latter, the items marked "individual consideration" are permitted entry only under special licence, applications for which are considered individually and granted for Canadian goods only when it can be established that the product in question is essential to New Zealand's economy and cannot be obtained locally or from a sterling country (particularly the United Kingdom); the percentage reduction applies to the value of imports from Canada in 1938:—

Principal Imports from Enemy and Enemy-Controlled Countries in 1938

Germany—	New Zealand Pounds	Restriction on Imports from Canada
Silk and artificial silk piece-goods	66,349	Individual consideration
Machinery for industrial purposes	54,129	"
Manures	54,039	"
Tractors	30,464	"
Printing machines	20,781	"
Metal-working machinery	19,977	"
Copper plate and sheet	11,406	"
Cardboard	10,706	"
Sodium salts	8,203	"
Cotton, linen and canvas piece-goods	8,077	"
Vacuum cleaners	7,342	"
Electrical appliances	36,671	Part 100 per cent; part individual consideration
Apparel, including hosiery	55,793	100 per cent
Cameras	29,334	"
Hardware and metal manufactures ¹	29,266	"
Motor vehicles	28,701	"
Musical instruments	22,066	"
Glassware ²	18,931	"
Fancy goods and toys	18,882	"

¹ No restriction applies to blind rollers, wringers, cast iron boilers, central heating equipment, builders' and cabinet makers' hardware from Canada.

² No restriction applies to drinking glasses, globes and chimneys for lamps, etc., from Canada.

Principal Imports from Enemy and Enemy-Controlled Countries in 1938—Con.

	New Zealand Pounds	Restriction on imports from Canada
Germany—Con.		
Drapery, laces, ribbons, etc.	18,328	100 per cent
Electric lamp bulbs	9,530	"
Hats, caps and millinery	9,189	"
Dairying machinery	7,683	"
Gas heating and cooking appliances.	7,515	"
Wrought iron pipes	7,365	"
Sensitized surfaces (under special licence when for professional photographers)	4,149	75 per cent
Clocks and watches	28,890	50 per cent
Artificers' tools ³	24,171	"
Chemicals, drugs and druggists' sundries ⁴	22,466	"
Moquettes, tapestries, etc., of cotton, jute, etc.	9,265	"
Surgeons', dentists' and opticians' instruments	39,293	No restriction on 1938 levels
Manufactured dyes and materials	17,036	"
Lubricating oils	10,311	"
Measuring and recording instruments	9,659	"
Vegetable parchment and greaseproof paper	9,654	"
Dry colours.	9,478	"
Insulin and other animal gland preparations.	7,591	"
Scientific instruments	6,404	"
Belgium—		
Cotton and linen piece-goods	7,713	Individual consideration
Telegraphy and telephone appliances	43,736	Mainly individual consideration
Carpets, mats, floor coverings.	35,653	100 per cent
Gloves and mittens	8,869	"
Wax matches	7,854	"
Table cloths, towels, etc.	3,415	"
Sensitized surfaces	7,124	75 per cent
Moquettes and tapestries of cotton, linen, jute, etc.	67,679	50 per cent
Plate glass.	22,237	"
Window glass	14,525	"
Sheet glass	6,408	"
Phosphates	16,539	No restriction
Zinc sheets, plain	4,013	"
Sweden—		
Vacuum cleaners	19,552	Individual consideration
Pulp	46,364	"
Electrical machinery and equipment	51,823}	Mainly 100 per cent and individual consideration
Hardware and metal manufactures ¹	16,796}	
Paper, other than printing.	84,305	Various
Dairying machinery	34,930	100 per cent
Agricultural machinery and implements	6,353	100 and 50 per cent
Artificers' tools ³	5,821	50 per cent
Printing paper.	3,094	No restriction
Holland—		
Piece-goods, woven	11,676	Mainly individual consideration and
Electric lamp bulbs.	3,635	100 per cent
Leather	2,486	100 per cent
Women's apparel.	2,385	"
Gin	31,936	50 per cent
Buttons	3,994	"
Dry colours.	7,102	No restriction
Yarns of silk, artificial silk, etc.	6,406	"
Vegetable oils in bulk	5,071	"
France—		
Silk and artificial silk piece-goods	25,561	Individual consideration
Cotton piece-goods	1,666	"
Apparel	10,525	100 per cent
Drapery.	9,158	"
Fancy goods.	6,522	"
Hats, caps and millinery	2,307	"
Agricultural machinery.	7,034	100 and 50 per cent
Spirits and wines.	61,430	50 per cent
Olive oil	12,524	No restriction
Czecho-Slovakia—		
Silk and artificial silk piece-goods	13,357	Individual consideration
Metal machine tools	2,241	"
Fancy goods and toys	24,157	100 per cent
Glassware ²	22,242	"
Gloves and mittens	18,460	"
Drapery, laces, ribbons, etc.	7,657	"

	New Zealand Pounds	Restriction on Imports from Canada
Czecho-Slovakia—Con.		
Hosiery	5,200	100 per cent
Hats and caps	4,760	"
Apparel and ready-made clothing	3,150	"
Articles for apparel, except buttons	2,933	"
Footwear	2,443	"
Leather	2,303	"
Buttons	9,334	50 per cent
Plate glass	5,417	"
Hat hoods and hat workers' materials	18,051	No restriction
Vegetable parchment and greaseproof paper	5,436	"
Italy—		
Silk and artificial silk piece-goods	13,384	Individual consideration
Gloves and mittens	23,654	100 per cent
Motor vehicles	9,597	"
Moquettes and tapestries of linen, cotton, jute, etc.	2,181	50 per cent
Hat hoods	8,248	No restriction
Finland—		
Pulp	38,665	Individual consideration
Sawn timber	14,014	"
Veneers and plywood	3,317	"
Matches	6,668	100 per cent
Paper, all kinds	48,749	Various
Norway—		
Fish, preserved	30,685	100 per cent
Paper, all kinds	25,522	Various

¹ No restriction applies to blind rollers, wringers, cast iron boilers, central heating equipment, builders' and cabinet makers' hardware from Canada.

² No restriction applies to drinking glasses, globes and chimneys for lamps, etc., from Canada.

³ No restriction applies to axes, hay forks and circular saws from Canada.

⁴ The restriction on items under this heading is mainly 50 per cent, but on some items it is 100 per cent and on others nil.

Strictly speaking no advantage can accrue to any country under the import control regulations, since it is laid down that no item may be imported from any one source in excess of the value imported during 1938. The authorities, however, owing to an embarrassing shortage of several essentials have found it necessary to waive the regulations and to grant licences to a value in excess of the 1938 values. In general such exceptions cover raw materials and unfinished goods as well as various plant and machinery for use in local industry.

OPPORTUNITIES FOR CANADA

In so far as Canada is concerned any increased shipments that, in the broadest interpretation, may be put down as a result of the war, are confined to a very few products. At the time of writing an accurate account of these products and their import values cannot be given, since statistics covering a sufficiently long or truly indicative period of import and exchange control are not yet available. The trade statistics for 1939 do not provide a true picture of the situation, and those for the first three months of 1940 cover too short a period to be entirely reliable in their indication of trends. However, comparing the 1940 figures with those of the first three months of 1938, the imports from Canada of the products dealt with in the following paragraphs have decidedly increased, and it would appear that there are prospects of this improvement being maintained.

Macaroni.—Before the establishment of facilities in New Zealand for packaging and canning macaroni, shipments from Canada were almost entirely made up of small packets and the canned product. The demand to-day is for loose macaroni and, with French and Italian supplies off the market, the sale of the Canadian product is increasing.

Tobacco, Unmanufactured.—Shipments of Canadian leaf tobacco to this market are comparatively new, having developed during the past two years. This business is increasing in volume as exchange relations with the United States become more difficult and offerings of manufactured cigarettes and

tobacco from the United Kingdom become more restricted. Any further increase in this trade is bound to be very gradual, owing to the New Zealanders' long standing preference for Virginia tobacco. Facilities for the manufacture of cigarettes, etc., are being expanded.

Silk and Artificial Silk Piece-Goods.—The rapid development in the domestic manufacture of women's dresses and other apparel under the protection of the import control has naturally been followed by an increased demand for piece-goods. Canada is supplying an increasing share of this demand, owing largely to a preference for Canadian styles and designs and the stoppage of shipments from Europe.

Steel and Iron Products.—New Zealand requirements of steel, both in raw materials and finished products, before the war came principally from Europe and Australia. British steel is now in short supply and Australia cannot meet the increased demand now placed upon the Australian mills. The New Zealand industry and trades, therefore, are looking more to Canada during this difficult period. Such items as wire, rods, bars and sheets are in particular demand.

Veneers and Plywood.—Owing to the rapid development in the furniture, radio cabinet, and allied industries in New Zealand, the need for veneers and plywoods has grown considerably. Purchases from Canada have increased steadily. Though Australia is still the largest single supplier to this market, the interruption in supplies from Finland and the reduction in purchases from Japan have further improved Canada's position.

Paper.—New Zealand possesses only one paper mill. Although its production is increasing and the general use of paper is being restricted, much paper still has to be imported. Considerable quantities of printing paper (other than newsprint), parchment, writing paper and paper for use in industrial processes were formerly obtained from Europe. With supplies from the United Kingdom difficult to obtain and the continental countries cut off, importers are looking to Canada to make up a large part of the deficiency.

TRADE COMMISSIONERS ON TOUR

The following Trade Commissioners are now on tour in the Dominion in the interest of Canadian trade with their respective territories: Mr. Paul Sykes, Bombay, India (whose territory includes Burma and Ceylon); Mr. C. S. Bissett, Havana, Cuba (whose territory includes Haiti, the Dominican Republic, and Puerto Rico); and Mr. F. W. Fraser, Kingston, Jamaica (whose territory includes the Bahamas and British Honduras). Their itineraries are as follows:—

Mr. Sykes

Toronto and district	Aug. 26 to 28	Kingston and district	Aug. 30
Whitby, Belleville and district	Aug. 29	Brockville	Aug. 31

Mr. Bissett

Vancouver and Victoria	Aug. 29 to Sept. 7	Edmonton	Sept. 10
Calgary	Sept. 9		

Mr. Fraser

Grand Manan	Aug. 27 to 29	Stewiacke, New Glasgow	
Saint John	Aug. 30	and Truro	Sept. 9
Digby	Aug. 31	Charlottetown and district	Sept. 10
South Brookfield, Liverpool, Bridgewater and Lunenburg	Sept. 3	Port Elgin, Sackville and Amherst	Sept. 11
Halifax	Sept. 4 to 6	Moncton	Sept. 12

Canadian firms who wish to be brought in touch with the Trade Commissioners should communicate, for Toronto, Edmonton, Vancouver and Victoria, with the office of the Canadian Manufacturers Association; and for other centres, with the respective Board of Trade or Chamber of Commerce.

BLUEBERRY MARKETS IN THE UNITED STATES

Fresh Blueberry Market Conditions in New York

W. D. WALLACE, OFFICE OF THE CANADIAN TRADE COMMISSIONER

New York, August 9, 1940.—The demand for fresh blueberries in the New York wholesale market has been exceptionally good, but the supplies have been below average. Prices being paid for fresh blueberries, in almost all cases, are above the 1939 prices and are expected to remain at their present high levels.

SOURCES OF SUPPLY

As a whole the blueberry crops throughout the eastern United States have suffered from a severe winter and in recent weeks the hot dry spell has further decreased the size of the crop. Blueberries received from Pennsylvania, New Jersey and Delaware have been in fair condition, although of a small size. The New Jersey supply of cultivated blueberries has been good, but the recent hot weather has reduced this crop. Cultivated blueberries from Michigan have been entering this market during the past few days. Although the fresh blueberries from Maine and Massachusetts have been of an excellent quality, reports indicate that the supplies are very limited this season.

To date the trade reports that no blueberries have been received from Canadian sources of supply.

PRICES

The wholesale prices for fresh blueberries have been very strong and above those of 1939. The trade is of the opinion that the prices will hold their present levels for the remainder of the season. Due to this year's reduced supplies this market can very easily absorb Canadian shipments of good quality fresh blueberries without depressing prices.

Up to August 9 (the date of this report) the range of wholesale prices per quart for fresh blueberries delivered New York has been as follows: Pennsylvania, 12 to 22 cents; New Jersey, 12 to 15 cents; Massachusetts, 18 to 31 cents; and Maine, 15 to 26 cents.

Cultivated blueberries from New Jersey have ranged in price from 23 to 36 cents per quart and 14 to 24 cents per pint; while receipts of Michigan cultivated blueberries have been selling at 19 cents per pint.

PACKING

It is of interest to note that the blueberry shippers are using a new type of crate this year. It is known as the hingeless crate, made of white pine, and holds twenty-four quarts of blueberries packed in three layers of eight quarts to a layer. The lid of the crate can be easily removed by withdrawing three metal or wire staples. The outstanding feature is that the dividers are so constructed as to give a clearance of about one-half inch between the layers and thus save the fruit from bruising caused when the quart containers are placed on top of one another with only a small slat to separate them.

IMPORT DUTY

Under the Canada-United States Trade Agreement, effective January 1, 1939, the United States customs duty on fresh blueberry imports from Canada is one cent per pound.

Market for Blueberries in the Mid-Western States

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

Chicago, August 1, 1940.—Canada continues to be an important source of supply for United States imports of blueberries. Fresh blueberries are obtained chiefly from domestic production, although in 1938 Canada supplied over 2,000,000 pounds out of total imports of about 2,500,000 pounds. It is in frozen blueberries, however, that Canada has the best opportunity of expanding and increasing its sales, especially in the Mid-Western States, which are heavy consumers of this commodity.

Whereas fresh blueberries are used largely for consumption as fresh fruit, frozen blueberries are used for the manufacture of pies. With bakers and confectioners, the frozen berries have almost completely replaced the canned product. Presumably suppliers in this country are able to sell their entire production in the fresh state and it is only as distances increase from the domestic sources of supply that there is a demand for the frozen berries. It is under these conditions that Canada and Newfoundland are better able to compete and to supply the demand.

IMPORTS

The importations of both fresh and frozen blueberries into the United States rose from 4,176,000 pounds in 1931 to a record figure of 12,783,000 pounds in 1937, with the percentage of the frozen fruit rising consistently. The division between the frozen and fresh fruit is shown in the following table of imports of blueberries from 1932 to 1938:—

Imports of Fresh and Frozen Blueberries

	Total	Fresh	Frozen	Per Cent of
	Thousands of Pounds			Total Frozen
1932	3,825	1,428	2,397	62.6
1933	6,293	3,156	3,137	49.8
1934	7,045	3,437	3,608	51.3
1935	7,366	2,243	5,123	69.5
1936	10,190	4,030	6,160	60.5
1937	12,783	3,836	8,947	70.0
1938	6,414	2,202	4,212	65.6

In 1938 the importations of both frozen and fresh blueberries fell to half those of the peak year, 1937. This has been attributed to the recession in spending generally by the public in that year. Import statistics for 1939 are not yet available but they are expected to show some improvement over 1938. Last year there was no lack of demand but there was a lack of supplies. It is noteworthy that the increase in the importation of frozen blueberries has coincided with a decline in the production of canned blueberries. In 1935 the United States imported 500,000 pounds of canned blueberries but in 1938 the quantity declined to 284,233 pounds, of which Canada supplied 169,790 pounds.

Before 1938 Newfoundland dominated the import trade in frozen blueberries, as shown by the following table of imports:—

Imports of Frozen Blueberries by Sources of Supply

	Total Newfoundland		Canada	Per Cent
	Thousands of Pounds			from Canada
1932.. . . .	2,397	1,876	521	21.7
1933.. . . .	3,136	1,817	1,319	42.1
1934.. . . .	3,608	2,539	1,069	29.6
1935.. . . .	5,123	3,778	1,345	26.3
1936.. . . .	6,160	4,038	2,122	34.5
1937.. . . .	8,921	5,741	3,180	35.6
1938.. . . .	4,212	2,178	2,034	48.3

In 1938 the trade in frozen blueberries was almost equally divided between Canada and Newfoundland and it is expected that the 1939 figures will show a similar trend. During recent years several new firms in Canada have become

interested in the packing of blueberries and this should result in increased exports to the United States. Members of the trade here have also expressed the opinion that there has been an improvement in the packing of Canadian blueberries, which may also serve to account for the increase in imports.

Frozen blueberries are packed in the well-known 30-pound net weight wooden boxes. Recently a wire-bound box has made its appearance on the market and, while probably more expensive than the old type of blueberry box, it has several advantages, not the least of which is the lower freight rate involved for the lighter weight box.

PROSPECT FOR 1940

Prior to the Canada-United States Trade Agreement, 1939, the duty on fresh blueberries was $1\frac{1}{4}$ cent per pound, and on frozen blueberries 25 per cent ad valorem. The Trade Agreement reduced the duty on fresh berries to 1 cent per pound and on frozen to $17\frac{1}{2}$ per cent. This reduction would have led to a substantial increase in the importation of both fresh and frozen fruit in 1939 if the supply had been equal to the demand. If there is a good crop this year, it is believed that an all-time record will be established in the import of blueberries, more especially the frozen product. The demand from the Mid-Western States is likely to be heavy. There would seem to be no logical reason why, with the United States able to take all the blueberries offered, prices should not be maintained.

AUSTRALIAN WHEAT AND FLOUR

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, cabled on August 15 with regard to the wheat and flour situation in Australia as follows:—

Sales of wheat and flour by the Australian Wheat Board to date amount to approximately 122,250,000 bushels, representing 63,000,000 bushels for Great Britain, 22,000,000 bushels for local consumption, and the remainder for overseas. China has been an interested buyer during the past month. The Board's prices for wheat on trucks at terminal port are 3s. 11 $\frac{1}{4}$ d. (approximately 69 cents Canadian) per bushel in bulk. A further payment of 4d. per bushel is being made to growers, bringing the average payments to 2s. 8d. bulk and 2s. 10d. bagged per bushel (approximately 47 cents and 50 cents Canadian, respectively) at country sidings, which is equivalent to 3s. 6d. per bushel f.o.b. (approximately 61 cents Canadian). Out of £A34,000,000 advanced by the Federal Government on wheat delivered to the Board, £A27,000,000 has been paid to growers, while £A7,000,000 is required for handling charges. Government receipts to date amount to £A12,000,000.

Moisture conditions throughout the majority of wheat-growing belts are unsatisfactory. Even with normal rainfall for the remainder of the growing period production for the coming season is estimated at only 110,000,000 bushels as compared with the previous ten-year production average of 177,000,000 bushels.

In spite of a good demand for feeding stuffs, the immediate flour-milling outlook is poor and new sales are difficult to arrange. A greater demand is reported for 49-pound calico bags at £9 5s. per ton than for 150-pound sacks at £9 3s. 6d. per ton (equivalent to \$32.60 and \$32.30 Canadian, respectively).

SOUTH AFRICAN COMMODITY MARKETS IN 1939**J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER****II****METAL PRODUCTS, MACHINERY AND VEHICLES**

Cape Town, July 9, 1940.—As has already been noted, machinery, metal products and vehicles accounted for over 47 per cent of the Union of South Africa's imports from Canada in 1939. There were close to one hundred different classifications of metal products imported from Canada during this period with a value running from less than £100 up to £637,080 for motor car chassis, which was the most important single item. Particulars regarding other commodities individually and in groups which are of interest to Canadian trade are appended.

AGRICULTURAL MACHINERY AND EQUIPMENT

Imports of cream separators totalled 7,305 valued at £38,258. Sweden was well in first place among the countries of origin with 5,734 valued at £28,181, followed by Belgium with 283 (£3,116); Germany, 269 (£1,053); the United States, 73 (£1,342); and Canada, 26 (£499). Imports of other non-specified dairy machinery were valued at £45,484, Australia, the United Kingdom, the United States, and Denmark being the principal sources of supply.

Imports of binders, reapers and mowers numbered 3,019 valued at £109,560, the United States accounting for approximately half of the total with 1,410 valued at £54,022. Canada came next with 642 valued at £24,323, followed by Sweden with 506 (£10,173); Germany, 154 (£6,777); and Australia, 104 (£9,355). There were also small imports from the United Kingdom and France.

As regards ploughs, harrows and parts, the total number imported during the period under review was 68,655 valued at £399,756. From the point of view of value Canada was the leading supplier, although Germany was in first place as far as numbers were concerned. The principal suppliers, together with the value and number of imports from each, were as follows: Canada, 15,792 at £115,851; Germany, 29,715 (£101,363); United States, 11,335 (£100,124); United Kingdom, 6,074 (£59,581); Australia, 556 (£8,835); Czecho-Slovakia, 4,014 (£6,518); Poland, 1,042 (£2,995).

Kaffir picks and hoes came in the main from the United Kingdom, the total number of imports being 537,257 valued at £20,397. There were small imports from Canada; other suppliers included France and Germany. The British Isles also accounted for the bulk of the spade imports, which totalled 92,666 valued at £12,035, roughly three-quarters of these being of British origin. Germany was credited with slightly less than 20,000 valued at £2,543, and Canada with 552 valued at £69. Sprayers and sprinklers were divided between the United States and the United Kingdom, with small quantities from France, Germany and Canada.

Canada is shown as having supplied 7 farm tractors valued at £1,085. This is in comparison with imports of 186 valued at £22,523 from the United Kingdom, 66 valued at £22,951 from Germany, and 1,411 valued at £323,690 from the United States. The last-named country also supplied 73 threshing machines valued at £16,196 out of a total of 113 valued at £33,207. Canada followed the United States with 30 valued at £10,347, while Germany supplied four valued at £1,422.

Imports of agricultural implements and machinery, other than those enumerated above, were valued at £297,201. Of this amount the United States supplied £145,431; the United Kingdom, £72,422; Canada, £32,378; Australia, £20,940; and Germany, £14,148.

INDUSTRIAL MACHINERY AND APPLIANCES

Under the heading of driving bands and belting, other than leather, imports from Canada in 1939 were valued at £13,234, the United Kingdom being credited with £44,265 and the United States with £27,400. Imports from other countries were small. Imports of conveyor bands and belting from Canada amounted to £5,169. Here, too, the United Kingdom and the United States were in first and second positions respectively, with £22,266 and £15,289.

Boilers for industrial purposes, as well as boiler tubes, came largely from the United Kingdom. Canada supplied confectionery-making machinery valued at £202 out of a total of £32,428, most of which was of United Kingdom origin. There were also small imports from Canada of corn-flour milling machinery and cranes, shears and elevating machinery, the United Kingdom being the principal country of origin in both these groups.

ELECTRICAL MACHINERY

The total value of imports of what in the trade statistics are termed secondary electrical batteries, was £215,819; the United States contributing £143,050; the United Kingdom, £61,046; and Canada, £6,979. Dynamos and generators and electrical motors were purchased principally in the British Isles, although there were small entries from Canada in each instance. The total value of imports of the former were £99,222 and of the latter £391,237. Transformers also came in the main from Great Britain, that country being credited with £209,966 out of a total of £312,169. Electrical machinery, appliances, material and fittings, not elsewhere specifically mentioned, were imported to the extent of £1,836,604, including £1,405,617 from the United Kingdom and £3,938 from Canada.

MINING MACHINERY

The Union of South Africa is producing an increasing quantity of its own mining machinery and equipment. Nevertheless, imports remain important, particularly as regards specialized products. Among the articles which came from Canada are steel balls for tube mills. Total imports under this heading in 1939 were £23,341, the United States supplying one-third of this value, followed by Belgium with £4,805; the United Kingdom, £4,321; Germany, £3,011; Denmark, £980; and Canada, £773. Imports of rock drills and spares amounting to £320,512, came particularly from Great Britain and to a lesser extent from the United States and Sweden. Other mining equipment imports included battery shoes and dies, £1,278; buckets and tip-trucks, £101,152; tanks and vats, £12,715. All other mining machinery imports were worth £1,045,541, including £5,259 from Canada, £797,803 from the United Kingdom, and £213,392 from the United States.

OTHER MACHINERY

Imports of oil, gasoline and spirit engines numbered 1,940 valued at £144,154, the United Kingdom supplying 993 valued at £98,918; and the United States 614 valued at £30,546. There were smaller imports from France and Germany, while Canada was shown as having supplied nine valued at £261. Canada shipped one tractor engine valued at £355. Total imports under this heading were 240 valued at £216,968, most of which were from the United States. Imports of factory plant equipment were valued at £544,811 with £203,140 from the United States, £167,658 from Germany, £39,106 from the United Kingdom, £22,499 from Belgium, and £3,067 from Canada.

Canada also supplied non-enumerated industrial machinery to the extent of £33,467, the principal contributors under this heading being the United Kingdom and the United States. Imports of hydraulic and electric lifts and

gates during the period under review were valued at £170,917; £76,133 coming from the United States, £48,995 from the United Kingdom, £25,837 from Switzerland, and £18,598 from Canada.

Canada supplied water pumps and accessories to the extent of £811. Competitors, with the value of imports from each, included the United Kingdom, £141,331; the United States, £92,935; Switzerland, £34,319; Germany, £9,712; and France, £2,888. Imports of sawing machinery, including circular, band and pit saws, amounted to £25,993, Canada being a small contributor with £149. Others included the United Kingdom (£14,103), the United States (£6,217), and Germany (£2,564). Imports of road graders and parts from all sources numbered 375 valued at £168,461. Of these, 361 valued at £162,282 were from the United States, and 14 valued at £6,095 from Canada. The United States also had a dominant position as shipper of other road-making and maintenance machinery.

South Africa's imports of wood-working machinery in 1939 were £57,315. More than half of this came from the United Kingdom, and £16,068 from the United States. The latter country was by a wide margin also the leading supplier so far as mechanically cooled refrigerators are concerned. The total number entering the country from all sources was 13,838 valued at £327,859, the United States supplying 11,589 valued at £272,550, followed by Sweden with 1,515 valued at £34,889, while Canada's contribution was 226 valued at £5,158. Refrigeration machinery was also principally from the United States, as also was air-conditioning equipment. In addition, that country was the most important source of supply of adding and calculating machines, cash registers and typewriters and typewriter-bookkeeping machines and accessories. Sewing machines and weighing machines and scales imported into this country are mostly of British origin. The only credit to Canada under any of these headings is typewriters and accessories with a value of £527.

ALUMINIUM

Imports of aluminium in bars and ingots had a value of £2,766, including £1,905 from the United Kingdom, and £687 from Canada. Sheet aluminium imports had a total value of £14,421, the United Kingdom supplying £9,659; Switzerland, £1,846; Norway, £1,282; and Canada, £799. Switzerland was credited with aluminium foil imports valued at £19,457 out of a total of £39,899, the United Kingdom being in second place with £11,015, and Germany third with £6,257. Imports of unenumerated aluminium products, other than wire, were valued at £26,732, with £10,915 from the United Kingdom, £9,810 from Germany, and £5,022 from Canada.

BRONZE AND COPPER PRODUCTS

Pipe fittings imported from the United Kingdom amounted to £50,720 out of a total of £52,830. Canada is shown as having supplied to the value of £292 and the United States to £1,521. Unenumerated brass and brass products, other than wire, were principally of British origin. The United Kingdom and Germany were credited with the bulk of the imports of copper in bars, blocks and ingots. There was a small quantity of plate and sheet copper credited to Canada, although most of the imports were from Great Britain. Germany supplied copper pipes, piping and tubes valued at £13,224 out of a total of £38,362, the United Kingdom following Germany closely.

FERRO-ALLOYS, IRON AND STEEL

The value of South Africa's imports of ferro-silicon from all sources was £25,691, with £19,226 from Norway, £4,770 from Finland, and £1,541 from Canada. The United Kingdom supplied more than half of other ferro-alloys,

with the exception of manganese. Canada is shown as having shipped £452 out of the total of £29,139. Structural steel comes largely from the United Kingdom and Belgium.

An article which is of interest to Canadian trade is bar, bolt and rod steel, total imports during the period being valued at £301,860. The British Isles supplied £88,717; Belgium, £86,433; Canada, £64,397; and the United States, £32,318. Drill steel imports were valued at £144,376, with £107,449 from Sweden, £34,835 from the United Kingdom, and £1,214 from Canada. Canada supplied wrought iron and steel pipes to the extent of £21,028 out of a total of £592,235, the United Kingdom being at the head of the list with £448,667. Germany remained second with £38,808, while the United States followed with £33,557. Canada contributed pipe fittings of both wrought iron and cast iron, but competition in both of these items was principally from the British Isles.

Canada is specially shown as being the source of supply of flat galvanized iron sheets with a value of £2,704 as against £89,355 from the United Kingdom, and £38,609 from Belgium. The United Kingdom and Belgium were the leading suppliers of corrugated galvanized sheets. Imports of bolts, nuts and rivets were valued at £215,865, the principal countries of origin, with the value of imports from each, being the United Kingdom, £84,003; Belgium, £54,113; Germany, £28,617; the Netherlands, £13,927; the United States, £10,297; and Canada, £4,325.

Canada with £7,013 supplied about one-third of the total value of trek chains amounting to £21,108. Another third of the total imports were from the United Kingdom, while Germany and the United States were the other principal suppliers. The value of imports of non-plated cutlery in 1939 was £236,938; £184,081 coming from the United Kingdom, £20,242 from Germany, £19,544 from the United States, and £3,457 from Canada. Non-plated spoons and forks came from the United Kingdom and to a lesser extent from Japan and Germany.

Imports of non-enumerated enamelware, including hollowware, had a value of £141,800, including £55,173 from Great Britain, £16,784 from Germany, £12,305 from Poland, and £1,743 from Canada. Iron and steel enamelware, excluding hollowware, came from the United Kingdom and the United States. Iron fencing posts were valued at £149,835; £123,446 coming from Belgium, £16,926 from the United States, and £1,412 from Canada. Canada is also shown as the country of origin for fire extinguishing apparatus and appliances, although in this item the United Kingdom and the United States are well to the fore.

Imports of metal furniture were small and are accounted for largely by supplies from the United Kingdom. As regards lawn mowers, the United Kingdom supplied 6,717 valued at £28,423; the United States, 2,975 (£5,002); Sweden, 1,980 (£2,519); and Canada 25 (£22). There were also small imports from Australia and Germany. Canada occupied a more prominent position as a supplier of shovels and ballast forks, having shipped 145,064 valued at £19,286 out of a total of 349,782 valued at £44,477, most of the remainder being of British origin.

Imports of locks, keys, bolts, hooks and similar door and window attachments were valued at £73,846 in 1939, two-thirds of this coming from the United Kingdom. The United States contributed £10,083; Germany, £4,890; and Canada, £82. Other exporting countries included Czecho-Slovakia, Hungary, Japan, India, and Belgium.

Imports of wire nails weighed 84,600 centals and had a value of £64,048. Canada was at the top of the list of the supplying countries with 20,404 centals valued at £14,331, followed by the United States with 17,169 centals (£11,289); Sweden, 16,651 centals (£11,289); the United Kingdom, 7,811 centals (£10,620); and Belgium, 13,552 centals (£9,517). Other exporting countries included France, Germany, and Italy. Imports of nails, other than wire, weighed 65,673 centals

and had a value of £66,561, the bulk of the imports coming from the United Kingdom, with smaller quantities from Belgium, France and Germany, and also 268 cents from Canada. Imports of screws and washers had a total value of £100,623, with £70,460 coming from the United Kingdom, £10,962 from Belgium, £7,568 from Sweden, and £110 from Canada.

Safe and strong-room door imports were worth £20,287, including £16,335 from the United Kingdom and £2,356 from Canada. The United Kingdom was also the leading supplier of stoves, ranges and parts, other than electric. The total value under this heading was £250,878, £125,054 being of British origin. Canada was second with £43,090; Sweden, third with £40,547; and the United States, fourth with £30,126.

Mechanics' tool imports were valued at £399,199, the United States being credited with £178,425; the United Kingdom, £163,775; Germany, £28,982; and Canada, £7,749.

WIRE

Canada was credited with 14,744 cents of baling wire valued at £10,103 out of total imports of 71,241 cents valued at £46,561. Other suppliers were the United States with 29,615 cents valued at £18,587 and Belgium with 16,791 cents valued at £10,809. Belgium was the principal supplier of plain fencing wire, with 114,412 cents valued at £75,931 out of a total of 354,381 cents valued at £230,292. Canada was a substantial contributor with 36,539 cents valued at £21,479, while the United States was credited with 72,760 cents (£45,400); the United Kingdom, 46,983 cents (£35,687); Germany, 34,617 cents (£24,305); and France 37,037 cents (£20,592).

Barbed wire fencing imports totalled 266,073 cents valued at £168,529, with 153,708 cents (£91,087) from the United States, 61,535 cents (£39,073) from Belgium, 28,612 cents (£24,711) from the United Kingdom, and 4,731 cents (£2,989) from Canada. Imports of wire netting amounted to 112,205 cents valued at £139,399, Germany being in first place with 29,761 cents (£31,249), followed by the Netherlands, 24,801 cents (£26,512); Belgium, 20,130 cents (£23,348); and the United Kingdom, 16,458 cents (£23,699). Canada's contribution was 3,830 cents valued at £13,532.

Wire rope is imported principally from the United Kingdom, while secondary sources of supply include the Netherlands, Sweden and Germany. Imports of non-enumerated wire were valued at £142,501, most of which came from the British Isles.

LEAD

Imports of lead bar, ingots and pigs were valued at £61,264, with £26,825 coming from Canada, £13,712 from Australia, and £10,401 from Burma. Imports of lead foil, pipes and piping and lead sheets were small. Lead solder and brazing alloys were imported to the extent of £108,030, the United Kingdom supplying to a value of £71,957; the United States, £30,270; and Canada, £1,601. Total imports of zinc in bar, rod, slab and ingot form had a value of only £1,000, £722 being credited to Canada.

ELECTRICAL MATERIAL AND APPLIANCES

Imports of electrical cable and wire from all countries weighed 341,188 cents and were valued at £881,736, the United Kingdom being the only supplier of importance, although Germany shipped 27,564 cents valued at £69,078. Electrical cooking and heating apparatus is an item of particular interest to Canada. There is no record of the weight or volume of imports but the total value during the period under review was £330,664, the principal countries of origin together with the values from each being: Canada, £151,811; the United Kingdom, £93,047; the United States, £64,558; Germany, £14,138; and the Netherlands, £2,568.

Electrical meters, the total value of imports of which amounted to £41,418 during the period under review, came largely from the United Kingdom. Canada was shown as having supplied to a value at £292 and Germany to £2,156. Imports of vacuum cleaners and floor polishers amounted to 10,695 valued at £84,774, Sweden being credited with 2,898 (£25,379); Germany, 2,746 (£28,316); the United Kingdom, 2,920 (£18,640); the United States, 1,098 (£5,873), and Canada 92 (£502).

Electrical hand lamps, the total value of imports of which was £25,390, were fairly evenly divided between Hongkong and the United States. As regards lamp bulbs, there were small quantities from Canada, but the bulk of the purchases were made in the United Kingdom, the Netherlands and the United States being among the other shippers. Household lamps and lampware, not elsewhere enumerated, were imported to the extent of £99,236. Somewhat more than 50 per cent of this total came from the United Kingdom and the United States. Germany supplied £15,510 and Canada £2,446.

COCKS, TAPS AND VALVES

These are listed among various miscellaneous metal manufactures. Imports from all sources were valued at £216,871, with £206,182 from the United Kingdom, £7,161 from the United States, and £1,715 from Canada. Imports of water meters had a value of £69,252, with £47,860 from the United Kingdom, £9,310 from the United States, £6,181 from Canada, and £4,573 from Germany.

RADIO APPARATUS

The Union of South Africa offers a good market for radio apparatus and accessories, domestic competition consisting of a limited amount of assembling of imported parts. The value of imports of radio apparatus and allied equipment in 1939 was £867,054, the United States being the principal country of supply with £378,937, followed by the Netherlands with £203,038. The only other supplier of any importance was the United Kingdom with £80,065. Germany was credited with £11,424. There were also small entries from Australia, Italy, Switzerland, and Canada (£103).

AUTOMOTIVE PRODUCTS

Motor cars are not manufactured in South Africa, although two large internationally known concerns operate assembly plants in the Union. Automobile parts and accessories make up the largest single individual import into this country from Canada. The number of completed motor cars which were imported from all sources in 1939 was 19,170 valued at £3,013,907. The United States was well to the front among supplying countries with 12,635 cars (£2,089,633), followed by the United Kingdom, 4,406 (£614,668); and Germany, 1,426 (£224,448). Other suppliers were Canada with 62 (£9,432); France, 455 (£57,331); and Italy, 98 (£9,465). Imports of motor car chassis, including body and upholstery material, were valued at £1,946,757, with £1,276,169 coming from the United States, £637,080 from Canada, and £33,508 from the United Kingdom.

Brake lining and clutch facing imports were valued at £39,052, the principal suppliers being the United Kingdom, £18,940; the United States, £17,925; Canada, £1,123; and Germany, £1,050. Non-enumerated motor car parts and accessories, other than tires, were imported to the value of £772,090, the United States being credited with £518,711; the United Kingdom, £112,267; Canada, £100,897; and Germany, £25,019.

The number of motor trucks and buses shown as entering the country during the period under review was 1,566 valued at £223,084, the United States supplying 1,281 (£174,037); Germany, 162 (£23,867); the United Kingdom, 110 (£23,305); and Canada, 5 (£1,031). The value of motor truck and bus chassis imported in

1939 was £1,050,363, including £642,712 from the United States, £201,836 from Canada, and £197,292 from the United Kingdom. Imports of parts and accessories for trucks and buses were valued at £200,137, about half of this figure coming from the United States, followed by the United Kingdom, Canada and Germany. Motorcycles and motorcycle parts were imported principally from the British Isles.

The United States was credited with 27 aeroplanes, followed by the United Kingdom with 13; Germany, 2; and the Netherlands, 1. Imports of bicycles, tricycles and their component parts valued at £494,808, were purchased principally in the United Kingdom, that country being credited with £421,495. Other suppliers were Japan, the Netherlands, Germany, Belgium, and Canada (£1,048). As regards trailers and parts thereof, Germany supplied 343 valued at £48,621; the United Kingdom, 201 (£23,458); the United States, 90 (£5,721); and Canada, 6 (£3,792).

EARTHENWARE, GLASSWARE AND CEMENT

South Africa's imports of building cement are small. As domestic production has increased, purchases abroad have lessened. The total quantity entering the country in 1939 was only 4,442 tons, most of which came from the United Kingdom. Canada is shown as having been the source of supply of other non-specified varieties of cement valued at £481. Under this same heading, imports from the United States were valued at £6,615 and from the United Kingdom, £4,072.

The total value of porcelain insulator imports was £35,937, with £13,692 coming from the United Kingdom, £11,231 from Canada, £6,038 from the United States, and £4,620 from Germany. There were also small imports from Japan and Belgium. Sanitary earthenware was imported almost exclusively from the United Kingdom. Imports of glass bottles and jars totalled £231,949, including £96,542 from the United Kingdom, £67,474 from the United States, £27,283 from Germany, £13,721 from the Netherlands, £9,629 from Belgium, and £838 from Canada. Plate glass and sheet glass came, for the greater part, from the United Kingdom and Belgium.

Canada is listed as having supplied gypsum valued at £233 as against £4,592 from the United Kingdom, £2,906 from Germany, and £1,026 from Yugoslavia. Total imports of this product weighed 13,432,019 pounds valued at £10,228. Vitreous alumino-silicate compounds imported from Canada were valued at £1,970 and from the United States at £1,343. The value of the imports of abrasive papers and cloth from all sources was £43,163, the principal contributors, with the value of imports from each being: United States, £21,289; United Kingdom, £15,949; Canada, £3,486; Germany, £1,350; Switzerland, £695; and France, £212.

OILS, GREASES, PAINTS AND VARNISHES

Canada supplied stearine to a value of £405 as compared with imports of £4,080 from the United Kingdom and £3,082 from the United States. Fish and whale oil imports amounted to 42,778 gallons valued at £5,900; most of this was fairly evenly divided between Norway and the United Kingdom, although Canada is credited with 1,221 gallons valued at £135. Imports of lubricating oil of mineral origin amounted to 9,749,952 gallons valued at £738,983. The United States, with 7,271,298 gallons valued at £554,277 was by a wide margin the leading country of supply, followed by the United Kingdom with 1,823,798 gallons (£138,948); and Canada, 98,193 gallons (£15,448). Germany and Netherlands India supplied a larger volume, but the value of imports from each of those sources was less than that from Canada.

The Netherlands supplied over half of the Union's imports of 411,694 gallons of boiled linseed oil; the same applied to raw linseed oil, the total of which was 461,777 gallons. Essential and perfumery vegetable oils, other than toilet

preparations, were imported to the extent of £70,565, with £761 being credited to Canada. The leading countries of origin were the United States, the United Kingdom, the Netherlands and Italy.

Ready-mixed distempers, colour washes and water paints were imported principally from the United States, with that country supplying £40,873 out of a total of £48,889. Imports of non-enumerated ready-mixed paints, including artists' colours and enamels, were valued at £240,676, with £109,691 coming from the United Kingdom, £105,532 from the United States, £11,110 from the Netherlands, and £9,334 from Canada. The total value of oxide imports was 6,318,404 pounds valued at £58,201, about 60 per cent of the volume and value coming from the United Kingdom. Germany supplied 288,084 pounds valued at £3,369; the United States, 370,568 pounds (£7,464); and Canada, 850 pounds (£121). Other contributors included Belgium, Poland and Spain.

Carbon black came principally from the United States. The total value of imports under this heading was £48,035, Canada supplying to a value of only £75. Patent driers came principally from the United Kingdom, which was credited with 136,267 pounds valued at £2,320, Germany supplied 25,678 pounds valued at £1,065; the Netherlands, 8,926 pounds (£176); and Canada, 2,352 pounds (£106). Non-enumerated painters' preparations, such as putties and solvents, came principally from the United States, but also from the Netherlands, the United Kingdom, Germany, Belgium and Canada. Imports of such articles as blacking and boot polish, metal polish and plate powder are in the main of British origin. Varnish, varnish stains, japans and lacquers came principally from the United Kingdom and the United States. None is shown as having originated in Canada.

The requirements of household laundry soap are almost met by domestic producers. A limited quantity of toilet soap continues to be imported, the total volume during the period under review being 840,136 pounds valued at £47,599. The United Kingdom was the leading supplier with 668,891 pounds valued at £39,454; followed by Canada, 50,034 pounds (£2,714); and the United States, 47,309 pounds (£3,213).

DRUGS AND CHEMICALS

Drugs and chemicals are of minor importance so far as South Africa's trade with Canada is concerned. Imports from Canada of all products coming within this category amounted to only £80,211 in 1939 out of total imports from Canada of £3,629,025.

Among the individual items included under this heading are acetic acid and vinegar essence. Imports from all sources were 42,990 gallons valued at £7,541, the United Kingdom being credited with 21,549 gallons valued at £4,230 and Canada with 17,495 gallons valued at £2,636. Most of the small balance was divided between the Netherlands and the United States. Canada is shown as being the country of origin of non-enumerated potassium compounds valued at £424. These came principally from Germany, Sweden and Japan.

Sodium cyanide imports from all countries were valued at £349,129, the United Kingdom supplying £198,987; Czecho-Slovakia, £60,127; Germany, £55,300; and Canada, £25,232. Canada also contributed other non-enumerated sodium compounds to the extent of £1,019. Calcium carbide imports from all countries weighed only 76,909 pounds valued at £779, Canada shipping 20,350 pounds valued at £125. The trade returns show imports of non-specified calcium compounds valued at £59,484, of which Canada supplied £43,701. The only other contributor of importance was the United States, which was credited with £13,240.

Dyes and non-enumerated colour preparations were imported principally from the United Kingdom, although some small business was done with Canada. Animal glands and tissues and their preparations, such as vaccines and serums,

were principally of British origin, Canada supplying £194 out of a total of £48,286. The total imports of non-spirituous medicinal and veterinary specifics had a value of £336,339, the United Kingdom contributing £210,054; the United States, £65,905; Germany, £39,934; and Canada, £748. Other supplying countries included Australia, France and Switzerland. Canada was also credited with non-enumerated drugs valued at £1,875, this amount being small in comparison with imports under the same heading from the United Kingdom, Germany and the United States. Imports of non-specified perfumery and toilet preparations were valued at £203,167, the United Kingdom being the leading supplier with £115,890, followed by the United States with £69,547, France, with £11,490, and Canada, with £2,780. The United Kingdom supplied tooth powder, pastes and washes valued at £82,277 out of a total of £92,333.

CUBAN LUMBER MARKET

S. G. MACDONALD, ACTING CANADIAN TRADE COMMISSIONER

(The Cuban peso in 1938 was equal in value to the Canadian dollar; one kilo equals 2.2 pounds.)

Havana, July 27, 1940.—Abounding in native hardwoods of many varieties, the island of Cuba has been largely self-sufficient throughout its history in meeting its lumber requirements. However, with the need of outlets for export from the Southern United States in the last century, Southern pine began to be introduced into Cuba and this trade developed steadily. In recent years no important advance has taken place in this trade, which is more or less the same each year, variations depending upon individual local projects such as the building of docks, warehouses, and other large public utilities.

For a number of years local importers have shown an interest in Douglas fir timber from British Columbia; but on account of price considerations and the lack of steamship connections between Canada and the island it has never proved feasible to import Western Canadian Douglas fir or other timbers in any worthwhile volume. Railroad ties from the United States have been tried by some of the local sugar mills which have their own trackage; but this type of timber, even when creosoted, has not been found as satisfactory as native hardwoods from the point of view of wearing quality or ability to remain in shape under tropical conditions. Further, timbers of the softwood variety do not stand up well to tropical termites, while Cuban hardwoods, particularly mahogany, which is available in large quantities at low prices, is proof against these insects. A similar situation obtains with respect to telephone and telegraph poles. In recent years a box industry has been developed in Cuba with the result that importers have tended to look towards Eastern Canada for spruce shooks. With the outbreak of war and the apparent greater usefulness of spruce than Southern pine for this purpose, the local demand has been somewhat intensified.

IMPORTS

Statistics for the calendar year 1938, the most recent available, of imports of ordinary rough lumber, which includes spruce and Baltic pine, are as follows: United States, \$23,490; Canada, \$5,720; Poland, \$11,908; other countries, \$4,575; total, \$45,693.

The imports of spruce from Canada in the past few years have been small because of the competition from Baltic pine and Southern pine, due to price in the case of the former and in that of the latter to proximity of the source of supply. Previously all Canadian spruce was shipped to Cuba in small chartered schooners, but apparently possibilities for shipping in this way have been cut off in more recent times. With elimination of Northern European countries as a

possible source of supply, Canadian exporters in a position to sell spruce of the type known as box grade, with measurements of 1 inch and 1¼ inch in thickness, 5, 6, 7, 8, 9, 10, and 12 inches in width, and lengths of 10 feet and up, should communicate with the office of the Canadian Trade Commissioner in Havana, who will be in a position to put them in touch with importers interested in obtaining quotations from Canada.

In conclusion it might be repeated that, except for spruce for box shooks, there are no possibilities for sales here of Canadian lumber under present economic conditions in Cuba and the freight situation for shipments from the West coast of Canada.

The following statistics of imports of lumber into Cuba in 1938 clearly indicate the small volume of business done in lumber of all kinds:—

Imports of Lumber into Cuba in 1938

	Quantity Kilos	Value Pesos
Rough pine—		
Total	86,866,911	1,357,587
United States	86,318,234	1,348,862
Bahamas	489,217	7,204
Dominican Republic	260	2
Austria	59,200	1,519
Railroad ties of pine and cypress—		
United States	7,468,624	119,204
California redwood—		
United States	570,438	16,580
Gumwoods, including Tupelo—		
Total	6,992,632	106,022
United States	6,961,912	104,916
Poland	30,720	1,106
Other ordinary woods—		
Total	1,351,551	45,691
United States	571,894	23,490
Canada	289,964	5,720
Germany	28,723	785
Austria	55,030	1,532
Luxemburg	72,365	2,246
Poland	332,180	11,906
Siam	1,395	12
Railroad ties of all kinds, except those included under "Railroad Ties of Pine and Cypress"—		
United States	1,160	394
Ordinary woods for naval construction—		
Total	186	1,524
United States	120	1,158
Austria	66	366
Ordinary woods, planed or dovetailed or in strips—		
Total	3,309,916	104,517
United States	3,306,166	103,691
France	3,750	826
Box shooks—		
Total	262,548	16,677
United States	256,570	16,287
Puerto Rico	269	14
Spain	687	50
France	5,022	326
Cases or boxes of ordinary wood, with wooden divisions for packing bottles—		
United States	130,690	3,398
Crates for packing fruits and produce—		
United States	7,613,143	322,097
Broom sticks—		
United States	351,089	12,264
Cooperage, assembled—		
Total	37,472	1,813
United States	37,418	1,789
Spain	54	24

Imports of Lumber into Cuba in 1938—Con.

	Quantity Kilos	Value Pesos
Cooperage, knocked down—		
(A) In finished staves:		
Total	205,697	18,833
United States	204,074	18,773
Germany	1,623	60
(B) In unfinished staves:		
Total	742,473	34,459
United States	731,520	33,525
Canada	1,083	291
Germany	9,870	643
(C) In hoops:		
United States	52,635	3,837
(D) In headings:		
Total	287,305	25,066
United States	275,157	24,532
Germany	3,828	146
Holland	8,320	388
Grille-work and fences—		
Total	1,095	643
United States	75	124
Spain	1,020	519

TARIFFS

Ordinary pine, Douglas fir and redwood in logs, rough sawn or unplanned, and railroad ties of pine, Douglas fir, redwood and cypress enter Cuba duty free from all sources. Other ordinary woods, including spruce, in logs, rough sawn or unplanned, but excluding strips, are dutiable at 25 cents per 100 kilos under the minimum tariff (which applies to imports from Canada) and 20 cents per 100 kilos when of United States origin. Other railroad ties are subject to a duty of 40 cents per cubic metre under the minimum tariff and 32 cents per cubic metre when from the United States. Wood for box shoofs is dutiable at \$1.20 per 100 kilos under the minimum tariff and at 96 cents from the United States. (Rates are in Cuban currency.)

CANADIAN TRADE WITH PERU IN 1939

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

[At current exchange 6.50 Peruvian soles equal U.S.\$1]

Lima, July 15, 1940.—Despite a slight decline in Peruvian imports in 1939 as compared with 1938, imports from Canada showed a substantial increase, rising from 4,914,590 soles in 1938 to 6,847,415 soles. Not only did Canada increase the amount of sales to Peru in 1939 but in addition considerably improved her rank as a source of Peruvian imports, moving up from eleventh position among the nations supplying Peru in 1938 to be the seventh supplying nation in 1939.

On the other hand Peruvian exports to Canada declined in drastic fashion, falling from 16,660,942 soles in 1938 to 4,168,905 soles. In consequence, whereas Canada previously had an unfavourable balance of trade with Peru, last year Canadian exports to Peru considerably exceeded imports from this country. Canada's imports from Peru consisted in former years almost entirely of petroleum and petroleum products, and it is in these categories that Canadian purchases have substantially fallen.

It is of interest to note that as yet there is no exchange control or import control in effect in Peru, which is one of the few countries in South America where these controls do not exist.

IMPORTS FROM CANADA

In the following list are shown the principal products imported into Peru from Canada. In order, the figures given for each item are: the value of total imports, the value of imports from Canada in 1939 (with those for 1938 within parentheses), and the values of imports from the three leading supplying countries. All items obviously cannot be listed separately and many of smaller value are grouped together:—

Cotton Wipers and Waste.—S/164,578: Canada, S/25,786 (S/15,258); United Kingdom, S/85,892; United States, S/39,234; Japan, S/11,528.

Pillows, Cushions and Mattresses.—S/23,412: Canada, S/10,745 (S/4,062); United States, S/5,916; Germany, S/3,587; United Kingdom, S/1,671.

Shirts for Men and Boys.—S/114,279: Canada, S/11,206 (S/2,348); United States, S/84,948; United Kingdom, S/11,795.

Silk Yarn on Cones or Skeins, for Manufacturing Stockings and Fabrics.—S/98,200: Canada, S/55,290 (S/2,936); Switzerland, S/20,387; Italy, S/15,220; United Kingdom, S/7,161.

Stockings of Natural Silk.—S/547,390: Canada, S/4,883 (S/11,674); United States, S/273,026; Germany, S/235,564; Japan, S/29,074.

Leathers, Prepared, Tanned, Bleached, Dyed or Varnished, including Chamois and Kid Skins.—S/926,548: Canada, S/2,022 (S/10,414); Germany, S/366,448; United States, S/311,076; Hungary, S/108,776.

Skins, Tanned or Semi-tanned, in their Natural Shape, Other than Rabbit.—S/350,728: Canada, S/111,831 (S/71,712); France, S/168,580; United Kingdom, S/30,245.

Iron and Steel Bars, Sheets or Ingots of Alloys and All Alloys Containing Chrome Nickel.—S/46,296: Canada, S/13,269 (S/2,927); United States, S/24,907; United Kingdom, S/6,753; France, S/1,367.

Iron and Steel Wire over ½ mm. in Diameter.—S/1,092,529: Canada, S/48,483 (S/9,193); United States, S/436,412; Germany, S/289,807; Belgium, S/126,072.

Piping and Tubing Other than Water and Drainage, including Connections.—S/4,739,868: Canada, S/116,996 (S/157,469); United States, S/2,452,501; Germany, S/1,540,830; United Kingdom, S/364,772.

Nails, Galvanized or not Galvanized (over 25 mm.).—S/670,384: Canada, S/30,475 (S/20,222); United States, S/284,740; Germany, S/155,798; Belgium, S/100,138.

Lamps of All Kinds Except Electric.—S/35,202: Canada, S/7,436 (S/12,037); Germany, S/17,297; United States, S/9,422.

Sanitary Ware of Earthenware.—S/758,180: Canada, S/17,773 (S/452); Germany, S/263,593; United States, S/261,130; France S/133,889.

Portland Cement.—S/1,047,644: Canada, S/108,407 (S/5,995); Germany, S/428,878; Japan, S/427,459; United States, S/33,007.

Stones, Circular, of All Kinds, for Sharpening Purposes.—S/68,972: Canada, S/5,544 (S/11,874); United States, S/36,278; Germany, S/11,343; United Kingdom, S/6,822.

Lumber, Ordinary Pine Sawn in Boards, Planks, etc.—S/4,543,811: Canada, S/268,840 (S/640,209); United States, S/4,097,824; Chile, S/145,301.

Ordinary Lumber, Planed, Grooved and Tongued, etc.—S/52,026: Canada, S/13,995 (S/44,586); United States, S/37,223.

Railway Sleepers of All Kinds.—S/468,579: Canada, S/33,659 (S/15,810); United States, S/267,232; Chile, S/165,293.

Box Shooks.—S/2,243,594: Canada, S/1,353,025 (S/848,799); United States, S/597,952; Chile, S/292,222.

Plywood.—S/336,783: Canada, S/25,469 (nil); Germany, S/125,375; France, S/61,256; United States, S/58,899.

Enamel Paints.—S/172,763: Canada, S/15,791 (S/12,923); United States, S/102,047; Germany, S/31,530; United Kingdom, S/15,319.

Paints, Prepared with Oil (Including Floor Paints).—S/774,381: Canada, S/92,852 (S/67,521); United States, S/385,786; United Kingdom, S/231,840; Belgium, S/25,293.

Petroleum Oils, Lubricants, in Receptacles over 15 Kilograms.—S/2,327,485: Canada, S/8,428 (S/49,101); United States, S/2,225,646; United Kingdom, S/67,616; Germany, S/18,298.

Varnishes with Turpentine Base.—S/88,028: Canada, S/30,500 (S/5,953); United States, S/48,105; United Kingdom, S/7,401.

Tallow, in Lumps or Rendered for Soap Works.—S/199,131: Canada, S/48,714 (S/7,743); Argentina, S/115,999; United States, S/16,404.

Inner Tubes of Rubber, Bicycle, Automobile and Truck.—S/376,789: Canada, S/148,319 (S/97,903); United States, S/156,692; United Kingdom, S/24,097; Germany, S/19,694.

Tires, Bicycle, Automobile and Truck.—S/4,464,546: Canada, S/1,801,503 (S/1,128,540); United States, S/1,847,871; United Kingdom, S/297,822; Italy, S/190,542.

Rubber, in Plain Sheets, etc.—S/193,848: Canada, S/12,708 (S/7,278); United States, S/151,752; Germany, S/17,543; United Kingdom, S/10,755.

Leaf Calendars.—S/65,776: Canada, S/778 (S/15,030); Germany, S/32,742; United States, S/18,665; United Kingdom, S/5,483.

Paper, Single, Coloured.—S/81,634: Canada, S/23,880 (S/14,817); Germany, S/32,318; Norway, S/7,866; United States, S/5,761.

Paper on Reels.—S/860,544: Canada, S/4,085 (S/62,303); Sweden, S/575,430; Norway, S/193,281; Germany, S/53,941.

Newsprint.—S/1,670,506: Canada, S/242,529 (S/180,481); Norway, S/569,758; Sweden, S/522,553; Germany, S/231,369.

Wallpaper, All Kinds.—S/121,850: Canada, S/4,824 (S/15,003); Belgium, S/41,630; France, S/28,217; Germany, S/13,791.

Paper for Measuring and Registering Machines.—S/44,051: Canada, S/9,669 (S/11,151); United States, S/24,610; Germany, S/5,062; Canal Zone, S/2,774.

Cordage, over 9 mm. in Diameter.—S/673,460: Canada S/59,544 (S/54,744); Philippine Islands, S/204,758; United Kingdom, S/191,474; Mexico, S/87,176.

Brushes for Artisans.—S/103,834: Canada, S/22,829 (S/27,377); United States, S/34,478; United Kingdom, S/21,601; Germany, S/20,681.

Packings, All Kinds.—S/619,556: Canada, S/58,494 (S/24,811); United States, S/429,109; United Kingdom, S/86,426; Germany, S/18,980.

Screw Jacks and Pulley Blocks over 10 Kilograms.—S/116,641: Canada, S/14,378 (S/3,600); United States, S/68,616; Germany, S/18,428; United Kingdom, S/15,219.

Instruments and Tools n.e.s.—S/1,269,447: Canada, S/23,231 (S/8,202); United States, S/750,136; Germany, S/347,674; United Kingdom, S/50,255.

Instruments and Tools n.e.s. for Agriculture, Dairying and Mining, etc.—S/1,678,053: Canada, S/14,800 (S/7,165); United States, S/1,138,153; United Kingdom, S/346,732; Germany, S/147,586.

Fire Engines, etc.—S/248,553: Canada, S/16,638 (S/59); United States, S/158,053; Germany, S/39,931; United Kingdom, S/29,861.

Belts and Ropes, Transmission.—S/710,324: Canada, S/5,476 (S/25,552); United States, S/451,714; United Kingdom, S/174,980; Germany, S/46,146.

Machinery for Agriculture, Cattle Breeding and Mining.—S/5,751,810: Canada, S/86,519 (S/34,057); United States, S/5,005,102; Germany, S/353,998; Switzerland, S/137,756.

Machinery for Industries Directly Connected with Agriculture, Mining and Shipping.—S/2,189,520: Canada, S/5,033 (S/97,615); United States, S/1,665,327; Germany, S/339,742; Sweden, S/82,139.

Machinery for Other Industries, n.e.s.—S/6,995,129: Canada, S/68,720 (S/50,061); United States, S/3,509,388; Germany, S/1,993,685; United Kingdom, S/641,891.

Sewing Machines and Parts.—S/1,217,420: Canada, S/101,750 (S/101,975); United States, S/928,185; Germany, S/111,669; Sweden, S/43,992.

Repair Parts for Automobiles, Bicycles, Motorcycles, Trucks, n.e.s.—S/3,371,406: Canada, S/11,193 (S/4,180); United States, S/3,020,007; Germany, S/225,132; United Kingdom, S/77,166.

Repair Parts for Machinery.—S/8,990,332: Canada, S/131,679 (S/92,673); United States, S/5,885,652; United Kingdom, S/1,400,789; Germany, S/887,546.

Valves of All Kinds with Diameter of less than 7 cm.—S/497,087: Canada, S/89,866 (S/36,938); United States, S/317,529; Germany, S/50,059; United Kingdom, S/30,757.

Mining Primers.—S/493,331: Canada, S/38,838 (nil); United States, S/381,277; Germany, S/73,216.

Dynamite and Other Explosives of the Same Kind.—S/3,378,857: Canada, S/162,233 (nil); United States, S/2,289,085; Germany, S/656,241; Norway, S/225,083.

Electrical Accessories, Cut-outs, Interceptors, Switches, etc.—S/563,249: Canada, S/13,717 (S/25,315); United States, S/336,754; Germany, S/160,936; Switzerland, S/11,685.

Batteries Weighing up to 30 Kilograms, and Parts.—S/524,246: Canada, S/11,868 (S/5,610); United States, S/421,546; Germany, S/37,647; United Kingdom, S/20,222.

Wire Cord or Cable, up to 3 mm. in Diameter, Covered, except with Silk or Lead.—S/417,843: Canada, S/43,399 (S/24,175); United States, S/215,843; Germany, S/75,958; Belgium, S/43,237.

Wire, Telephone, Lead-coated.—S/275,824: Canada, S/246,353 (nil); United Kingdom, S/25,660.

Meters, Electric Light, Domestic.—S/199,551: Canada, S/49,311 (S/26,171); Germany, S/77,742; Switzerland, S/60,331; Sweden, S/6,864.

Whisky in Bottles.—S/808,299: Canada, S/31,736 (S/19,699); United Kingdom, S/760,067; United States, S/14,643.

Meal, Fresh or Dried, Preserved in any Way.—S/138,306: Canada, S/31,705 (S/21,952); Chile, S/76,054; United States, S/16,237; United Kingdom, S/8,618.

Preserves of Vegetables and Pot Herbs, Prepared in any Form.—S/236,267: Canada, S/13,179 (S/8,530); United States, S/107,826; Chile, S/71,671; Spain, S/17,853.

Milk, Whole, Evaporated or Condensed, and Milk in Powder Form for Feeding Children.—S/3,536,963: Canada, S/223,849 (S/105,329); Netherlands, S/2,374,069; United States, S/331,177; Norway, S/342,966.

Butter, Pure.—S/384,025: Canada, S/48,281 (S/32,402); Argentina, S/129,223; Denmark, S/86,152; United States, S/45,555.

Salmon.—S/90,086: Canada, S/6,751 (S/17,103); United States, S/64,140; Japan, S/17,329.

Tea, in Tins or Packets up to 3 Kilograms.—S/846,914: Canada, S/29,316 (S/5,805); British India, S/365,412; China, S/113,480; Java, S/99,560.

Calcium Carbide.—S/224,551: Canada, S/45,639 (S/19,813); United States, S/62,840; Germany, S/48,137; Italy, S/30,560.

Calcium Oxide.—S/311,566: Canada, S/74,996 (nil); Germany, S/107,737; United States, S/93,977; United Kingdom, S/22,659.

Rubber Gloves.—S/62,998: Canada, S/14,533 (S/10,810); United States, S/26,287; Japan, S/14,113; Germany, S/5,003.

Oilcloth and Linoleum.—S/48,660: Canada, S/5,295 (S/11,236); United States, S/23,681; United Kingdom, S/15,044; Germany, S/2,703.

Miscellaneous.—S/9,097,068: Canada, S/336,652 (S/265,613).

EXPORTS TO CANADA

As mentioned earlier in this report, Peruvian exports to Canada fell from 16,660,942 soles in 1938 to 4,168,905 soles in 1939. No exports of raw sugar are shown as having been shipped in 1939 to Canada, nor any exports of high cold test crude petroleum. In 1938 exports of the former were valued at S/51,417 and of the latter at S/9,854,985. Exports of the remaining three items were as follows:—

Low Cold Test Crude Petroleum.—S/13,035,687: Canada, S/878,349 (S/1,015,354); Argentina, S/3,848,765; United Kingdom, S/3,766,704; France, S/2,406,187.

Gasoline.—S/40,638,904: Canada, S/1,117,221 (S/1,003,994); Brazil, S/16,435,181; Chile, S/7,623,472; Germany, S/5,742,118.

Gasoline, Natural.—S/3,192,946: Canada, S/2,168,618 (S/4,735,123); United Kingdom, S/4,057,993; France, S/345,371; Ireland, S/150,214.

LEATHER AND BOOT AND SHOE INDUSTRIES IN COLOMBIA

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

(1.75 Colombian pesos equal U.S.\$1)

Panama City, August 2, 1940.—In round figures Colombia has a population of nine million, of which 30 per cent are white, 5 per cent Negroes, 7 per cent Indians, and the remainder mixtures of these races. Cattle raising is a very important industry and there are about 10,000,000 head of cattle roaming the plains and valleys. As a result of demand and supply the leather and shoe industry is developing rapidly, not only in number of establishments but also in quality of article produced.

TANNING INDUSTRY

At the end of 1938 there were 107 tanning factories in Colombia. Many of these are small establishments; for example, 55 are shown as having a capital of less than \$600. Only one factory is shown with a capital of over 200,000 pesos (\$114,300) and only one with a capital of 100,000 pesos (\$57,150).

IMPORTS OF SHOES

The following table shows the imports of leather boots and shoes into Colombia for the years 1936, 1937, and 1938:—

	1938		1937		1936	
	Pairs	Pesos	Pairs	Pesos	Pairs	Pesos
Men's and boys' shoes—						
Total	1,282	10,475	1,008	6,290	1,088	1,798
Canada .. . . .	....	5	....	....	....	....
United Kingdom	72	821	18	519	19	229
United States	1,160	9,198	760	4,968	112	747
Germany	10	63	....	....	....	....
Brazil .. . . .	....	....	102	420	66	136
Dutch West Indies .. . . .	....	....	90	256	871	569
Other countries	40	388	38	127	20	107
Women's and girls' shoes—						
Total	261	3,601	142	2,054	193	1,488
United Kingdom .. . . .	....	....	3	72	20	126
United States	187	3,003	95	1,330	67	903
France	20	191	29	511	....	....
Brazil	35	133	3	12	47	176
Switzerland	4	102	....	....	....	....
Dutch West Indies .. . . .	....	....	....	....	47	103
Other countries	15	172	12	129	12	180

From the foregoing import figures it will be realized that Colombia does not offer a market for Canadian shoe manufacturers.

TARIFF RATES

As stated previously, the boot and shoe industry is developing rapidly in Colombia. In 1936 it was not listed as one of Colombia's principal industries but it has gained that recognition now. To foster it the Colombian Government adopted the following general tariff rates:—

	Per Kilo Gross Weight Pesos
Boots and shoes, sandals, slippers, etc., with strips of natural leather and colour	4.00
Boots and shoes of fine leather, box calf, kid, fancy, black or dyed, with or without hair—	
For men and boys	7.00
For women and girls	10.50
Boots and shoes of felt, cotton, wool, fibres, with the exception of silk and plush, with leather, rubber or any other sole—	
For men and boys	5.00*
For women and girls	4.00*
Boots and shoes of animal and artificial silk, plush, etc., with leather, rubber and other soles	15.00
Heavy rubber boots	1.90
Boots and shoes, of straw, with leather bindings, for children	5.00*
Boots and shoes, not otherwise specified	6.00

* Reduced to 2.50 pesos per kilo under the United States-Colombian Trade Agreement, which rate applies to imports from countries, including Canada, accorded most-favoured-nation treatment by Colombia.

CONSUMPTION OF FOOTWEAR

The total production in 1938 of 1,294,584 pairs of shoes for men, women and children by the local industry and the importation of an additional 1,443 pairs, making a total of 1,296,027 pairs in 1938, may seem small for a population of nine million. It must be remembered, however, that the purchasing power of the average citizen of Colombia is very small and that nine out of ten of the population do not wear shoes every day. Most persons go barefoot or wear some sort of improvised covering for the soles of their feet, held on by a thong over the big toe or by a small toe-cap. This improvised protection may be made of anything from old motor car tires to strips of leather. But the development of the local industry, by making available a boot or shoe at a price the average citizen can afford to pay, will increase the number worn and, in turn, the industry should continue to develop.

IMPORTS OF LEATHER

Although Colombia produces a substantial amount of leather, domestic production does not meet the country's requirements. The following table gives the imports of leather for the years 1936, 1937, and 1938:—

	1938		1937		1936	
	Feet	Pesos	Feet	Pesos	Feet	Pesos
Calf leather—						
Total	1,515,359	820,474	1,551,994	953,172	1,277,083	470,128
United Kingdom	3,152	1,550	16,380	8,626	.....	.....
Canada	6,276	3,202	1,273	890	.....	.....
United States	714,479	348,550	803,429	465,396	497,151	208,849
Germany	486,739	282,736	341,686	198,602	681,954	217,124
Belgium	13,801	15,130	103,029	71,157	4,297	3,080
Netherlands	271,285	158,893	267,125	195,354	93,681	41,075
Poland	5,522	2,310	.....	.....	.....	.....
Switzerland .....	.....	.....	14,499	9,754	.....	.....
Other countries	14,105	8,103	4,573	3,393	.....	.....
Light tan leathers—						
Total	704,791	201,929	466,357	212,199	907,366	322,109
Canada	22,440	4,766	.....	.....	.....	.....
United Kingdom	17,178	7,134	8,637	4,227	10,314	3,341
United States	540,931	223,086	343,322	163,000	445,843	159,380
Germany	42,177	21,323	45,587	17,590	341,520	125,368
Belgium .....	.....	.....	4,968	1,837	15,986	7,300
Netherlands	9,149	3,889	.....	.....	56,971	22,710
Poland	7,429	4,580	22,677	10,531	.....	.....
Czecho-Slovakia	10,562	4,558	8,380	3,296	434	94
Hungary	43,640	18,688	14,532	7,286	1,624	975
Other countries	11,465	3,905	18,254	4,432	34,674	2,941
Heavy tan leathers—						
Total	18,807	11,807	75,281	17,820	2,624	6,966
United Kingdom	1,200	1,238	3,500	507	.....	.....
United States	15,018	8,863	70,865	16,940	74	266
Germany	1,726	1,396	816	314	2,549	6,700
Netherlands	840	303	.....	.....	.....	.....
France .....	.....	.....	100	59	.....	.....
Other countries	23	7	.....	.....	.....	.....

OUTLOOK FOR CANADIAN SALES

As Colombia cannot produce all its requirements of leather it is reasonable to expect that imports will increase. Canadian producers of the types of leather required by the Colombian market should be able to find an outlet for their product, provided they are prepared to grant similar terms to those granted by present suppliers and are able to compete in price.

All types of leather desired by the shoe industry come into the first category for the remittance of foreign exchange. Accordingly, payment would be available within a few days following the arrival of the goods.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

MACHINERY ADDED TO FREE LIST

Under the Import Duties (Exemptions) (No. 7) Order, 1940, of the United Kingdom, effective July 8, the following machinery, accessories and parts, have been added to the free list in the United Kingdom tariff:—

Machinery and parts thereof, and, when imported therewith, accessories to machinery or to parts of machinery.

Ball bearings and parts thereof.

Roller bearings and parts thereof.

Ploughs, planters and seeders and parts of ploughs, planters and seeders.

Machinery belting, including conveyor and elevator bands.

Aeroplanes and seaplanes, including flying boats and any other aircraft designed to manoeuvre on the water, and parts therefor; also accessories to the foregoing planes and parts when imported with those articles.

Specifically excepted from the foregoing extension of duty-free entry into the United Kingdom for machinery are: clocks and watches; telegraph and telephone apparatus; electrical bell apparatus and meters; electrical cooking and heating apparatus; motor cars, motor bicycles and agricultural tractors other than track-laying tractors; cycles; coin- or disc-operated machines for games; toys; musical instruments, including gramophones, pianolas and similar instruments; parts and accessories for any of the foregoing excepted articles.

Prior to July 8, the goods which have now been placed on the free list were dutiable only when not satisfactorily shown to be British Empire products. The effect of the new order is to remove the duties applicable to non-Empire products of the classes enumerated, making the goods duty-free regardless of country of origin.

Ireland

REGULATION OF IMPORTS OF RAW APPLES

Mr. James Cormack, Canadian Trade Commissioner in Dublin, reports that the Minister for Agriculture in Eire made an Order on July 23, 1940, prohibiting on and after August 16, 1940, the importation of raw apples save under licence. The order does not apply to apples grown in Great Britain or Northern Ireland, from both of which it has been arranged by the United Kingdom-Eire Trade Agreement a small quota will be accepted. A similar prohibition of November 7, 1939, was revoked as from February 20, 1940.

Australia

TIMBER LICENSING FOR FOUR MONTHS, AUGUST-NOVEMBER

With reference to the article appearing in *Commercial Intelligence Journal* No. 1890, April 20, 1940, page 604, Mr. L. M. Cosgrave, Canadian Trade Commissioner in Sydney, has cabled that the third licensing period for timber (lumber) under the Australian import licensing system established on December 1, 1939, will be the four months commencing August 1, 1940. (The licensing periods for imports in general are for two months or three months each, but for timber the periods are for four months.) The Trade Commissioner states that import licences for timber from non-sterling countries will be issued up to one-third of the cost-insurance-freight-and-exchange values of imports of the same timber by the same importer from non-sterling countries during the base year (ended June 30, 1939) plus any unused balances of quotas or licences carried forward by the importer from previous licensing periods. Licences will not be issued for the importation of hemlock pending further instructions.

DEFERRED DUTIES ON SCREW HOOKS, EYES AND RINGS

Deferred duties on screw hooks, eyes and rings, under item No. 186 of the Australian customs tariff, that were to have gone into effect on July 1, 1940, have been further postponed until July 1, 1941. At present these goods are free of duty under the British preferential tariff (applicable to Canada) and dutiable at 15 per cent ad valorem under the general tariff. The deferred rates are: free and 26½ per cent ad valorem, respectively. If and when Australian exchange depreciation becomes less than the present ratio of £100 sterling equalling £125 Australian, deferred duty may be imposed under the British preferential tariff and the rate under the general tariff increased.

Jamaica

TARIFF CHANGES

Mr. F. L. Casserly, Canadian Trade Commissioner's Office at Kingston, writes that a bill amending the Jamaican Customs Tariff Law was introduced into the Legislative Council on July 3 and according to law the changes became effective forthwith. The bill was subsequently passed into law. Its purpose is to increase public revenue, and it is part of a fairly comprehensive scheme of extra taxation necessitated by the war. The items affected are brandy, whisky, gin, rum, bay rum, unspecified spirituous compounds (except perfumery, medicines, dentifrices, toilet preparations and washes), matches and petroleum products (viz. kerosene and other illuminants, lubricants and gasoline).

The changes of interest to Canada are the following:—

(a) Whisky and gin, bottled, not exceeding 80 per cent proof spirit: formerly dutiable at 32s. per liquid gallon under the British preferential tariff and 40s. under the general tariff, now dutiable at 36s. and 50s., respectively.

(b) Bitters, cordials and liqueurs, including flavouring extracts, containing 40 per cent proof spirit or over, and unspecified spirituous compounds as noted above: formerly dutiable at 40s. per liquid gallon British preferential tariff and 50s. general tariff, now dutiable at 45s. and 60s., respectively.

(c) Lubricating oil: formerly dutiable at 3½d. per gallon British preferential tariff and 5d. general tariff, now dutiable at 6d. and 8d., respectively.

Another amending law (No. 54 of 1940) became effective July 27 providing for the duty-free entry, irrespective of country of origin but subject to the Governor's approval and to conditions to be laid down by him, of fresh or processed milk for use by the local condensery. Except for this law, such milk would have been dutiable at 20 per cent ad valorem under the British preferential tariff and at 30 per cent under the general tariff. The purpose of the amendment is to assist the condensery, for which sufficient supplies of fresh milk are not yet available in Jamaica.

Netherlands Guiana

PROHIBITIONS AND IMPORT LICENSING

With reference to the notice in *Commercial Intelligence Journal* No. 1902, July 13, 1940, page 68, concerning control of imports into Surinam (Netherlands Guiana), information has been received from Mr. F. E. H. Groenman, Minister for the Netherlands in Canada, to the effect that the goods now prohibited importation include the following: fresh meat, fresh fish, peanuts, coffee, bread, fodder and produce of the field, timber, starch, telephone cables, matches.

For certain other goods quotas may be fixed. Among these are: living animals; salted meat in barrels; bacon in barrels; shoulders; hams; canned meat; edible fat; margarine; condensed milk; milk powder; butter; cheese; unspecified fish; flour; vegetables; potatoes; fresh and dried fruits; chocolate; sugar; vinegar; biscuits containing sugar; candy; beer; spirits; fertilizers; seeds; tobacco; dyeing and tanning materials; minerals and metals in blocks; gypsum; fire-proof stone; mineral oils; coal; lime and cement; quicksilver; asbestos; soap; candles; perfumery; toothpaste, chemicals, medical preparations; cut tobacco, cigars and cigarettes; sole leather and tanned skins; leather footwear; yarns; textile goods; clothing; rubber articles; paper and cardboard; earthenware; glass; rails; jewelry; motors; different kinds of machinery; automobiles and parts. Importation of these goods is subject to authorization being granted by the Administrator of Finance at Paramaribo. Further particulars may be obtained by applying to the Netherlands Consulate-General, 1410 Stanley Street, Montreal.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING AUGUST 19, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for the principal exchanges for the week ending Monday, August 19, 1940, and for the week ending Monday, August 12, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Aug. 12	Nominal Quotations in Montreal Week ending Aug. 19	Official Bank Rate
Finland	Markka	.0252	\$.0219	\$.0219	4
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0073	.0073	6
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial		.2150	.2150	—
Yugoslavia	Dinar	.0176	.0249	.0249	5
Portugal	Escudo	.0442	.0423	.0428	4-4½
Roumania	Leu	.0060	.....	.....	3½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2642	.2643	3
Switzerland	Franc	.1930	.2526	.2527	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2218	.2208	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.....	.....	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.....	.....	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2506	.2509	—
Brazil	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0557	.0557	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6326	.6326	4
Peru	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.3874	.3874	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0597	.0611	—
Hongkong	Dollar	.....	.2452	.2500	—
India	Rupee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2601	.2601	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.....	.....	—
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5760	3.5760	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds remained unaltered at \$4.43-\$4.47 and \$1.10-\$1.11 during the week ended August 19. During the same interval sterling free market rates at New York advanced from \$3.98½ on August 12 to a 1940 peak of \$4.02½ on August 15, while the week's close at \$4.02½ indicated a net increase of 4½ cents. Volume of business in free sterling continued to dwindle, it was stated. A slightly easier tendency was noted for Canadian funds at New York, quotations declining from 86½ cents on the 12th to 86⅜ cents on August 14, where they remained for the balance of the week. At Montreal Argentine free peso rates stiffened 3 points to 25.09 cents between August 12 and 19, while Swiss francs gained 1 point to 25.27 cents.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Paper, Writing and Printing (Bond).....	544	Melbourne, Australia.....	Purchase.
Sandpaper, Emery Cloth, Etc... ..	545	Melbourne, Australia.....	Agency.
Upper Shoe Leathers.....	546	Port of Spain, Trinidad...	Purchase and Agency.
Barbed Felting Needles.....	547	Alexandria, Australia.....	Purchase and Agency.
Cream Separators.....	548	Melbourne, Australia.....	Agency.
Bolts and Nuts.....	549	Durban, South Africa.....	Agency.
Mild Steel Bars.....	550	Durban, South Africa.....	Agency.
Sulphate of Ammonia.....	551	Wellington, New Zealand..	Purchase.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: G. R. HEASMAN, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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No. 1909

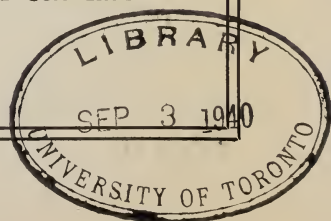


Fishing Schooner at Her Berth in Halifax among Fish Boxes
and Barrels

ISSUED BY AUTHORITY OF

THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE

J. G. PARMELEE, DEPUTY MINISTER



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CONDITIONS IN THE SHOE AND LEATHER INDUSTRIES IN THE WEST OF ENGLAND AND SOUTH MIDLANDS

E. L. McCOLL, CANADIAN TRADE COMMISSIONER

Bristol, August 7, 1940.—The invasion of almost the whole of Western Europe has not affected the shoe and leather industries in the United Kingdom as adversely as might have been expected. The markets in Scandinavia, Denmark, Holland, Belgium and France were eliminated so rapidly that large stocks manufactured to meet the particular requirements of each of these different areas were left in the hands of producers. Trade was brisk early in the year and heavy buying took place, thus contributing to the present overstocked position not only of shoe manufacturers but also of the producers and factors of raw materials such as hides, sole leather, uppers, linings and mercery. The usual conditions obtaining in midsummer, which is the slackest season of the year in this trade, have aggravated the difficulties created by the loss of Continental orders.

The capitulation of France was followed by a weakness in leather prices, not only on account of the lost market for British finished uppers and linings but more directly because of the extension of the blockade. Chicago packer prices for heavy native steer hides fell from 12½ cents at the beginning of May to 10 cents on August 1. South Americans averaged a 3d. drop, and Africans and Australasians a 4d. drop from April 2 to early August.

NATIONAL SERVICE FOOTWEAR

The foregoing conditions are in part compensated for by the increased demand for footwear to meet wartime requirements. Civilian consumption has been reduced by the enrolment into the defence forces of large numbers of men and women, and the effect of more outdoor wear in all kinds of weather is reflected in an increased demand for leather. However, industry has met the situation successfully by following plans carefully prepared beforehand by the authorities to meet the present emergency.

A standardized system of repairing service boots was quickly evolved and adopted by the Army Council, for the administration of which a Controller of Boot Repairs was appointed, with a Deputy, in each area of the Home Command. Repairs are made by the trade at agreed rates based upon cost of materials, labour and overhead and allowing for a fixed margin of profit.

CIVILIAN FOOTWEAR

Wide changes have taken place in the civilian trade since the beginning of hostilities, particularly in the last month. Large numbers of children and adults have left exposed areas for safer zones, and this has resulted in a considerable dislocation of the retail trade. Losses have been sustained by the owners of many shops, who have had to sacrifice their stocks and close out their businesses. Multiple or chain stores have returned their stocks to

central warehouses. Towns along the east and southeast coasts have always been a profitable market for women's seaside styles, and while there is little or no demand for this type of footwear in areas regarded as dangerous, it has been maintained in others. Nevertheless, wartime conditions have adversely affected sales of the seasonal footwear manufacturer who caters to the demand for shoes purchased for wear during holidays at the seaside.

Light-weight civilian shoes have been replaced to a considerable extent by those which are plain, comfortable, strong and consequently more suitable for walking. The formation of many auxiliary defence services, including the Home Guard, Air Raid Precaution wardens, Observer Corps, auxiliary firemen, special police, and an equal number of women's volunteer units has resulted in a demand for such footwear. The members of these services, with the exception of a skeleton of full-time key officials, purchase their own footwear, and the demand for a good walking shoe has increased sales of this type of footwear to civilians. Gasoline taxes and restrictions, which discourage the needless use of motor cars, are contributing to this increase in footwear consumption.

AUTUMN RETAIL PRICES

No serious break in retail prices is expected, as demand will take care of a restricted production. Government controls of timber and paper is making the use of these materials for wooden heels and cardboard boxes more difficult. The loss of skilled labour to the armed auxiliary forces and munition factories is a serious matter. Efforts are being made to train young women to be footwear artisans, but the services and munitions work are more attractive. The new purchase tax will reduce demand, as some 12 per cent will be added to the retail price of footwear.

IMPORTS

Importation of footwear into the United Kingdom has declined, due in large measure to closer official control. Imports during May were valued at £65,018, a reduction of £253,261 as compared with the corresponding month last year. For the five months ended May 31 shipments were valued at £753,262, which is about half the value recorded for the corresponding period of last year.

The recently imposed licensing restrictions on the imports of leather have also affected the activities of a number of factoring houses in this area which under normal conditions handle large quantities of this commodity.

EXPORTS

The value of exports of footwear from the United Kingdom during May totalled £179,910, an increase of £30,370 over the figures for the same month of last year. During the five months ended May 31 the value of shipments totalled £1,112,035, an advance of £390,332 as compared with the same period in 1939. There was thus a favourable balance of exports over imports of £358,773. Exports are officially encouraged, and everything possible is done to maintain stocks of raw materials in order that the trade may be in a position to produce all classes of shoes as freely as possible. Manufacturers are therefore making the most of the fancy leathers which can be produced in the country and also of the efforts of their skilled designers to maintain an output of original models of high quality and superior workmanship which will find favour abroad.

The closing of the Continental market to the finished leather and shoe trade has resulted in an abnormal accumulation of specialty stocks. The industry had huge commitments for delivery to France prior to the capitulation of that country. The situation has stimulated efforts to increase exports to other fields by the trade as a whole under the auspices of the Leather, Footwear and Allied Industries Export Group. The current position is not regarded as serious, as markets which have hitherto been neglected will now receive attention.

AUSTRALIAN DAIRYING AND PACKING INDUSTRIES

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

(£A1 equals approximately \$3.55 Canadian currency)

Sydney, July 18, 1940.—The elimination of the chief dairying countries of Europe, particularly Denmark and Holland, has directed attention to the ability of the component parts of the Empire to make up the deficiency in supplies of essential dairy products to the United Kingdom. In this connection a recent survey of Australian production, consumption and export, has been made by the Commonwealth statistician, and provides a useful summary of Australia's ability to meet increased demands. The survey embraces the following dairy products: milk, butter, cheese, pork, bacon and ham, eggs in shell, and egg contents.

Factories throughout the Commonwealth engaged in the production of butter, cheese, and condensed and concentrated milk numbered 523 in 1938-39 and employed some 6,851 persons. Annual salaries and wages paid amounted to approximately £A1,570,000. The materials utilized in the factories were valued at £A29,162,000, production value figures stood at £A3,544,000, and value of output at £A33,094,851. The 523 factories referred to above were distributed as follows among the states of the Commonwealth: Victoria, 174; New South Wales, 129; Queensland, 102; South Australia, 50; Tasmania, 44; Western Australia, 24.

MILK AND MILK PRODUCTS

The recorded production of milk in Australia during the past five years (ended 1937-38) averaged 1,141,000,000 gallons per annum. Of this quantity, 917,000,000 gallons (80.4 per cent) was used in the manufacture of butter; 43,000,000 gallons (3.8 per cent) in the manufacture of cheese; 25,000,000 gallons (2.2 per cent) in the manufacture of condensed and powdered, etc., milk; and the remaining 156,000,000 gallons (13.6 per cent) was used in its natural form for human consumption and other purposes. The actual quantity directly consumed by the public cannot, of course, be precisely determined, but on the basis of 156,000,000 gallons the per capita consumption was approximately 22½ gallons per annum, or one-half pint per diem.

Australian exports of condensed and concentrated milk and cream, dried and powdered milk and cream, infants' and invalids' foods, etc., have attained substantial proportions, totalling 19,107,537 pounds valued at £A791,081 in 1938-39 as compared with 24,717,435 pounds valued at £A963,872 in 1937-38. Comparative figures covering exports of individual items during these years are shown in the following table:—

Australian Exports of Milk and Milk Products

	1937-38		1938-39	
	Lbs.	£A.	Lbs.	£A.
Milk and cream (dry)—				
Total	3,379,286	99,449	3,577,232	99,007
United Kingdom	2,129,904	63,186	2,709,592	76,197
India	647,884	17,080	596,687	14,560
Other British countries	59,857	991	45,888	1,014
China	443,277	15,211	205,470	6,772
Kwantung Peninsula	54,740	2,249	.....	.....
Other foreign countries	43,624	733	19,603	464

Australian Exports of Milk and Milk Products—Concluded

	1937-38		1938-39	
	Lbs.	£A.	Lbs.	£A.
Infants' and invalids' foods—				
Total	1,515,285	181,405	1,637,531	209,940
India	67,974	7,561	102,840	13,350
United Kingdom	1,474	225	13,290	1,908
Burma	114,486	11,532	107,305	12,699
Ceylon	286,715	32,465	317,997	41,224
Hongkong	89,604	11,185	80,151	10,063
Malaya (British)	206,112	24,007	162,338	20,409
Malta	27,066	3,615	24,495	3,471
New Zealand	17,571	2,897	49,025	7,046
Pacific Islands	25,221	2,083	25,360	2,604
Other British countries	1,608	181	3,372	367
China	126,281	17,276	23,490	3,294
Japan	151,014	19,875	247,464	36,323
Kwantung Peninsula	242,112	30,443	254,262	29,895
Philippine Islands	80,754	9,638	102,945	12,630
Other foreign countries	77,293	8,422	113,197	14,653
Malted milk—				
Total	555,263	47,521	564,577	57,058
United Kingdom	43,256	4,439	85,193	7,713
Ceylon	117,592	12,851	133,835	15,919
India	26,868	2,484	30,775	3,154
New Zealand	341,674	25,319	264,385	26,279
Other British countries	17,019	1,514	32,813	2,584
China	5,956	608	11,588	753
Japan	274	20	2,400	270
Other foreign countries	2,624	286	3,588	386
Preserved, condensed, concentrated, etc., milk (sweetened and unsweetened)—				
Total	19,267,601	635,497	13,328,197	425,076
United Kingdom . . . . .	.....	.....	73,528	2,298
Ceylon	435,408	15,567	.....	.....
Hongkong	746,800	16,455	83,000	2,427
Malaya (British)	16,023,298	540,286	11,252,610	364,339
Pacific Islands	619,657	18,128	901,003	24,795
Other British countries	10,114	305	2,022	60
China . . . . .	.....	.....	17,460	514
Pacific Islands (foreign)	301,526	7,159	253,334	6,001
Philippine Islands	1,113,546	37,118	666,568	22,192
Other foreign countries	16,180	443	20,012	606

CASEIN

Figures are also available covering the production in Australia of casein and the exports to countries overseas. Some 6,164,000 pounds of casein were produced in the Commonwealth during 1937-38, and some 5,807,000 during 1938-39. Exports during the latter year showed a marked reduction as compared with the 1937-38 figures due largely to the rapid expansion of the plywood industry in Australia and the consequent increase in domestic requirements. Canada was the only country importing casein from Australia to show an increase during 1938-39 as compared with 1937-38. This was brought about in large measure by an extremely satisfactory exchange arrangement with a well-known Canadian organization producing other special ingredients for use in the manufacture of plywood veneer glues. Comparative figures of exports in 1937-38 and 1938-39 are as follows:—

Australian Exports of Casein

	1937-38		1938-39	
	Lbs.	£A.	Lbs.	£A.
Japan	1,125,632	31,948	88,928	1,795
British Malaya	201,936	5,845	156,800	4,226
United Kingdom	93,296	933	33,600	180
Canada	1,120	30	13,216	300

BUTTER

Butter production in Australia during the year ended June 30, 1939, amounted to 4,100,000 cwts. This figure shows an increase of 226,000 cwts., or 6 per cent, on the previous year's production, and is only slightly below the maximum output of 4,200,000 cwts. attained in 1934-35.

Of the 1938-39 total, 3,895,666 cwts. were produced in butter factories throughout the Commonwealth, while 171,911 cwts. were made on farms. Over the past five years there has been a steady reduction in farm butter production, with a corresponding increase in the quantities produced in factories.

Production figures for the 9-month period ended March 31, 1940, show a marked increase for every month with the exception of March, 1940. This increased production has been particularly noticeable in the large producing states of Victoria and New South Wales. The Victorian factory production of butter during the 9-month period amounted to 1,255,481 cwts., representing 37 per cent of the total Australian output of factory butter for that period and being 42 per cent greater than the quantity produced by this state during the corresponding period of 1938-39.

Queensland, although the second largest butter-producing state during the 9-month period referred to, with an output totalling 975,936 cwts. (29 per cent of the Australian factory production figure for the period), showed a decline of 7 per cent as compared with figures for the same period of the preceding year.

New South Wales accounted for 24 per cent of the total Commonwealth output, producing some 808,672 cwts. This was an increase of 8 per cent as compared with figures for the same period of 1938-39.

The quantities produced in the states of South Australia, Western Australia, and Tasmania during the 9-month period under review were 148,282 cwts., 111,932 cwts., and 75,081 cwts., respectively, and the combined output of these three states accounted for only 10 per cent of Commonwealth production for the period under review.

Australia as a whole produced during the nine months ended March 31, 1940, 3,375,384 cwts., an increase of 13 per cent over the production in the corresponding months of 1938-39.

EXPORTS

During 1938-39 total butter exports from the Commonwealth amounted to 2,049,489 cwts. valued at £A12,891,837 as compared with 1,762,015 cwts. valued at £A10,781,124 in the preceding year. Of the 1938-39 production total, the United Kingdom purchased some 1,937,960 cwts. valued at £A12,127,260. Other important consumers were the Netherlands East Indies with purchases of 39,408 cwts. valued at £A276,025, and British Malaya with 15,287 cwts. valued at £A106,195.

During the 9-month period ended March 31, 1940, shipments from Australia as a whole amounted to 2,032,671 cwts., an increase of 33 per cent over the quantity shipped in the corresponding period of 1938-39. Of this total, the state of Victoria headed the list with shipments totalling 926,135 cwts. (45 per cent of Australian butter exports for the period); Queensland was the second largest exporter with 731,907 cwts. (36 per cent of total shipments), but in keeping with this state's production decline a corresponding decline in overseas exports of 8 per cent was noted. New South Wales exports amounted to 256,185 cwts., or 13 per cent of total shipments, while the other states of South Australia, Western Australia, and Tasmania divided the remaining 6 per cent of total exports.

Under the terms of the agreement entered into between Australia and the United Kingdom, whereby the latter agreed to absorb the total Australian butter surplus, the ability of the Commonwealth to increase production and export of this commodity has ensured a marked increase in the monetary return to Australia, and this increased productive ability has in addition been of great importance in meeting the requirements of the United Kingdom.

Under the stabilization scheme the wholesale price of butter in the Commonwealth was in 1934 fixed at 140s. (Australian currency) per cwt. or 1s. 3d. per pound, and remained at that figure until June, 1938, when it was increased to 158s. 8d. per cwt. or 1s. 5d. per pound. As compared with the above wholesale domestic quotation, the price of Australian butter, under the wartime purchasing scheme, was fixed in London in October, 1939, at 121s. (sterling) per cwt. (approximately 137s. Australian currency).

Details of the United Kingdom-Australia contract covering butter were published in *Commercial Intelligence Journal* No. 1892, May 4, 1940, and it is of importance to record here that the Australian Government to-day announced that the agreement for the sale of Australian butter in the United Kingdom has been renewed for the 12-month period ending June 30, 1941. All conditions, including price arrangement, will be the same as those which automatically expired on June 30, 1940. The quantity which the United Kingdom has undertaken to purchase during the forthcoming year is 100,000 tons (2,000,000 cwts), with the proviso that, should the Australian surplus exceed this quantity, consideration will be given to the purchase of the remainder.

CHEESE

The total Australian cheese production for 1938-39 amounted to 586,174 cwts., an increase of 16 per cent over the previous season's output. As in the case of butter, factory production has increased steadily over the past three years, and during 1938-39 Commonwealth cheese factories accounted for 579,519 cwts. of the total production. Farm production figures stood at 6,655 cwts.

The relative importance of the states of the Commonwealth in cheese production is shown in the following table:—

Australian Cheese Production by States

	1936-37 Cwt.	1937-38 Cwt.	1938-39 Cwt.
New South Wales.. . . .	63,796	68,763	64,223
Victoria.. . . .	116,435	143,147	172,755
Queensland	69,392	106,627	140,617
South Australia	108,614	138,543	164,797
Western Australia	9,017	7,889	8,724
Tasmania	25,305	31,738	28,403
Total factory	392,559	496,707	579,519
Total farm	6,806	8,711	6,655
Grand total.. . . .	399,365	505,418	586,174

EXPORTS

Cheese export figures for the 9-month period ended March, 1940, embracing a wartime period are of interest in view of the purchase agreement entered into between the United Kingdom and Australia whereby cheese surplus would be taken over by the United Kingdom. Production figures for this period are not available, but export figures are summarized hereunder.

Total Commonwealth shipments during the nine months ended March, 1940, amounted to 332,169 cwts., an increase of 25 per cent over the quantity shipped during the corresponding period of 1938-39. Of this total the state of Victoria contributed the major portion, amounting to 143,619 cwts., or 43

per cent of Australian exports, which was 38 per cent greater than in the corresponding period of 1938-39. South Australia ranked second with 122,886 cwts. or 37 per cent of total exports, an increase of 24 per cent over shipments during the 1938-39 season. Queensland's share of cheese exports was 60,677 cwts., or 18 per cent of total exports, practically the same figure as for the corresponding period of 1938-39. New South Wales, with 4,687 cwts., exported less than 2 per cent of total shipments from the Commonwealth, but this quantity represented an increase of 200 per cent over shipments during the 1938-39 season.

PRICES

As in the case of butter, the wholesale price of cheese was in May, 1934, fixed at 8d. (Australian currency) per pound. In January, 1935, the price was increased to 8½d. and in May, 1935, to 9½d. A further increase in the wholesale price took place in June, 1937, to 10d. per pound; and in June, 1938, the price reached 10½d. According to figures prepared by the Commonwealth Dairy Produce Equalization Committee, the average prices realized during the past five years for factory-made cheese, whether sold in Australia or abroad, were as follows: 7·81d. per pound in 1935-36; 8·23d. in 1936-37; 8·24d. in 1937-38; 7·94d. in 1938-39; and for the nine months ended March, 1940, the average price reached 8·16d. per pound.

Australia's chief market for cheese during 1938-39 was the United Kingdom, which absorbed some 310,706 cwts. valued at £A1,019,681 out of total exports of 320,754 cwts. valued at £A1,074,008. This showed a marked increase over figures for the previous year, when the United Kingdom imported Australian cheese to the extent of 233,446 cwts. valued at £A792,905. Total figures for that season's exports were 243,265 cwts. valued at £A845,130.

During 1938-39 shipments ranging from 1,000 cwts. to 2,000 cwts. were also made to Hongkong, British Malaya, India, Egypt, and the Philippine Islands.

With respect to Australian cheese also, details of the United Kingdom-Australia contract were published in *Commercial Intelligence Journal* No. 1892, May 4, 1940, and, as with the butter contract, renewal of the arrangements was announced by the Commonwealth Government to-day, operative until June 30, 1941. The same conditions and price arrangements will prevail; and the quantity which the United Kingdom has undertaken to purchase during the forthcoming season is 20,000 tons (400,000 cwts.), also with the proviso that, should Australian surplus exceed this quantity, consideration will be given to additional purchases.

IMPORTS

Imports of cheese from overseas countries during 1938-39 amounted to approximately 1,395 cwts. valued at £Stg.9,222, as compared with 1,126 cwts. valued at £Stg.7,959 in 1937-38. These imports were confined, largely to special quality cheese from Switzerland, Italy, New Zealand, the United Kingdom and a small quantity from Denmark.

PORK

A noteworthy expansion in pork production in the Commonwealth has been recorded during recent years. Up to 1928-29 pork produced in Australia was sufficient to meet domestic demands and to permit of a small exportable surplus only, principally to the Pacific Islands. In 1929-30 exports increased from 200,000 pounds to approximately 1,000,000 pounds, although at that time the marked increase in exports was largely at the expense of local consumption. In 1930-31, however, production began to expand annually, and was sufficient to provide a 60 per cent increase in local consumption and a remarkable

increase in exports which has become more marked since 1933-34. This expansion is shown in the following table, prepared by the Commonwealth statistician:—

Australian Production, Consumption and Exports of Pork

Year	Production Lbs.	Consumption		Exports	
		Total Lbs.	Per Capita Lbs.	Total Lbs.	Per Cent of Production
1929-30	39,432,504	38,500,207	6.00	943,297	2.36
1930-31	50,297,146	41,673,495	6.44	8,629,901	17.16
1931-32	50,950,080	43,566,725	6.68	7,383,355	14.49
1932-33	59,334,671	52,631,437	7.97	6,703,234	11.30
1933-34	63,236,837	54,572,973	8.20	8,663,864	13.70
1934-35	78,063,364	62,427,232	9.31	15,636,132	20.03
1935-36	84,011,115	60,433,372	8.95	23,577,743	28.07
1936-37	95,309,083	68,492,630	10.06	26,816,453	28.14
1937-38	86,003,488	52,044,818	7.58	33,959,412	39.49
1938-39	*	*	*	30,716,417	*

* Figures not available.

Of more interest, perhaps, are figures recently released showing exports of pork from the Commonwealth for the nine-month period ended March, 1940. Total exports amounted to 31,400,000 pounds—54 per cent greater than for the corresponding period of 1938-39. Of this total, the state of Queensland contributed 18,265,395 pounds, representing 58 per cent of total Australian shipments during the period and an increase of 61 per cent over Queensland's exports during the 1938-39 season. Victoria occupied second place in pork exports with 7,232,743 pounds, representing 23 per cent of total Commonwealth exports and a slight increase on last season's exports. Western Australian exports for the nine-month period amounted to 3,397,999 pounds—11 per cent of total Australian shipments. This state's exports showed a marked increase over the previous season's shipments, which stood at 959,374. New South Wales also showed a substantial increase in pork exports, with 1,442,898 pounds or 5 per cent of total Commonwealth shipments. Tasmania and South Australia shipped 538,856 pounds and 522,119 pounds, respectively, more than double the figures for the previous season.

As in the case of the Commonwealth's other dairy produce, the United Kingdom absorbed almost the entire quantity exported. During 1938-39 the United Kingdom imported 30,120,385 pounds of Australian pork valued at £A859,894, and increasing shipments are recorded for Ceylon, India, and Egypt, with regular and substantial exports to the Pacific Islands.

BACON AND HAM

During the past ten years the production of bacon and ham in the Commonwealth has fluctuated between 68,000,000 and 78,000,000 pounds, sufficient to meet local requirements and provide a small surplus for export averaging slightly more than 1,500,000 pounds per annum and consigned chiefly to the Pacific Islands and the East. The following table shows production, consumption and exports of Australian bacon and ham for the years 1933-34 to 1938-39, inclusive:—

Australian Production, Consumption and Exports of Bacon and Ham

Year	Production Lbs.	Consumption		Exports	
		Total Lbs.	Per Capita Lbs.	Total Lbs.	Per Cent of Production
1933-34	71,490,279	69,825,778	10.74	1,664,501	2.33
1934-35	71,004,663	69,442,165	10.59	1,562,498	2.21
1935-36	77,655,178	75,953,603	11.50	1,701,575	2.19
1936-37	73,677,083	71,924,565	10.57	1,752,518	2.41
1937-38	70,340,190	68,661,349	10.00	1,675,969	2.45
1938-39	*	*	*	1,742,972	*

* Figures not available.

Bacon curing is not as yet a highly developed industry in Australia, the number of factories in operation during 1938-39 being 76 with some 2,047

employees. The value of production during the year was £A865,000, a more or less consistent figure during the past five years, and the value of output of finished products amounting to £A4,710,000 during 1938-39, shows little change over a like period.

Factories engaged in this industry are well divided among the various states of the Commonwealth. New South Wales heads the list with 25 factories; Victoria follows with 18, Queensland and Western Australia each have 9, South Australia 8, and the island state of Tasmania, 7. Both Commonwealth and state authorities have, however, given serious thought to increased production during the past two years, and marked improvement in the leading producing states in breeding and curing, with the object of increasing supply to the United Kingdom market, is likely to be evidenced at an early date.

During 1938-39 the number of pigs cured was 793,991 valued at £A2,571,515, while the bacon and ham made and green bacon finished amounted to 64,220,290 pounds valued at £A3,118,050. Lard production amounted to 3,112,688 pounds valued at £A78,219, 22,376 cwts. of raw tallow was produced to the value of £A15,208, and refined tallow amounted to 3,039 cwts. valued at £A2,171.

IMPORTS

Imports of bacon and hams have decreased steadily during recent years, those for 1938-39 amounting to only 9,681 pounds valued at £A597, an average figure for the past seven years. Prior to 1930, imports of bacon and hams averaged some 200,000 pounds per annum. On the other hand, exports during 1938-39 amounted to 1,739,053 pounds valued at £A119,994.

EGGS IN SHELL AND EGG CONTENTS

It has not been possible to obtain precise figures covering egg production in Australia at the present time, statistics relating to the export of eggs from the Commonwealth providing the only indication of the egg position. Figures showing the export of eggs in shell and egg contents were recently issued by the Commonwealth statistician and cover the five years ended June 30, 1938-39. These are shown in the following table:—

Australian Exports of Eggs in Shell and Egg Contents

Year	Eggs in Shell		Egg Contents	
	Doz.	£A.	Lbs.	£A.
1934-35	21,718,740	1,148,254	*	3,479
1935-36	17,365,132	910,892	290,612	7,170
1936-37	15,459,027	954,578	652,858	19,756
1937-38	11,287,363	686,713	426,320	16,926
1938-39	10,144,337	602,149	654,950	23,252

*Figures not available.

It will be noted that a marked decrease took place during this period in overseas exports of eggs in shell, while the export of egg contents increased considerably. Figures recently released for the nine-month period of 1939-40, however, disclosed a marked improvement, exports of eggs in shell amounting to 10,252,480 dozen, as compared with 10,144,337 dozen for the entire 12-month period of 1938-39.

Australian imports of eggs in shell and of egg contents are chiefly confined to China, the total quantity imported from overseas countries during the year 1938-39 amounting to 9,330 dozen valued at £Stg.388.

Quantities of egg albumen (dry) were imported during 1938-39, as in the preceding year, and amounted to some 29,850 pounds valued at £Stg.3,439. China again was the principal supplier, some small quantities also coming from the United States and the United Kingdom.

Egg contents (liquid form) to the extent of 38,563 pounds valued at £Stg.481 were imported during 1938-39 as compared to 3,052 pounds valued at £Stg.36 in 1937-38.

AUSTRALIA'S SAWMILLING INDUSTRY

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

Sydney, July 4, 1940.—Since the commencement of the war the shortage of overseas tonnage, high freight and insurance rates, uncertainty of deliveries, etc., have of necessity increased the cost of timber imported into the Commonwealth to a point at which considerable difficulty is being experienced in the entry—particularly from Canada, the chief overseas source of supply—of commercial timbers for ordinary building requirements, Government war orders, and mining purposes, and of lumber for the manufacture of box shooks.

As a result of increases in prices, attention has been focused by the Commonwealth and state governments on sources of supply to meet the situation. Very complete reports are frequently submitted to the Canadian timber industry by established representatives in Australia—reports which enable Canadian timber exporters to visualize the Australian timber position very clearly. However, the Commonwealth Statistician (upon instruction from the Commonwealth Government) recently prepared an interesting summary of domestic timber production and utilization by Australian forest sawmills as apart from those established at the main ports of entry to deal with imported logs and lumber, and doubtless the figures made available and the conclusions reached in this report will be of interest to the Canadian industry concerned.

EXTENT OF SAWMILLING

The figures supplied by the Commonwealth Statistician cover the period from the year 1930-31 to 1938-39, and indicate definite progress during that period. The number of forest sawmills increased from 789 in 1930-31 to 1,244 in 1938-39, and the number of persons employed from 6,033 to 11,737. During the period the value of production by the mills rose from £A1,497,000 to £A3,273,000, while the value of their output rose from £A2,825,000 to £A7,015,000.

The sawmilling industry in the Commonwealth embraces practically every state in the Commonwealth. Queensland led with 449 mills, employing 4,351 persons during 1938-39; followed by New South Wales with 246 mills, employing 2,168 persons; Tasmania with 206 mills, employing 1,314; Victoria with 205 mills, employing 1,797; Western Australia, 109 mills employing 1,890; and South Australia with 29 mills, employing 217 persons.

It is of interest to note that the average salary or wage of employees rose from £A195 a year in 1930-31 to £A201 in 1938-39, and that the value of output per employee increased from £A468 in 1930-31 to £A598 in 1938-39. It should be noted also that there is a 44-hour week for sawmill workers throughout the Commonwealth, with minimum weekly wage rates varying, according to the state award, from approximately £A4 per week for unskilled labour to £A5 and £A5 6s. per week for skilled employees such as millwrights, log band sawyers and broad axemen.

The improvement in production efficiency during the period under review is shown by the decrease in the ratio of salaries and wages paid to value of production. In 1930-31 the former stood at 70·56 per cent of the latter and in 1938-39 at 65·71 per cent.

PRODUCTION OF LOGS AND SAWN TIMBER

The following table shows the quantities of logs treated in the various states of the Commonwealth, and the quantities of rough sawn timber produced therefrom during 1938-39, the last year for which figures are available:—

Production of Logs and Rough Sawn Timber in 1938-39

	Hardwood Figures in	Softwood Superficial Feet	Total
Logs, cut and treated—			
Total	946,602,871	223,526,213	1,170,129,084
New South Wales	141,286,552	45,431,103	186,717,655
Victoria	205,516,258	3,455,720	208,971,978
Queensland	108,499,629	160,284,061	268,783,690
South Australia	5,443,555	11,503,360	16,946,915
Western Australia	329,139,926	418,482	329,558,408
Tasmania	156,716,951	2,433,487	159,150,438
Rough sawn timber—			
Total	480,791,063	145,161,603	625,952,666
New South Wales	92,024,366	28,129,672	120,154,038
Victoria	109,725,959	1,657,120	111,383,079
Queensland	70,266,489	106,610,339	176,876,828
South Australia	2,746,341	7,095,911	9,842,252
Western Australia	124,980,959	219,930	125,200,889
Tasmania	81,046,949	1,448,631	82,495,580

The total amount of rough sawn timber produced in Australian forest sawmills during the year 1938-39 amounted to 628 million super. feet, including some small quantities not shown in the foregoing table, imported inter-state or from overseas, the bulk of which is treated in mills adjacent to ports of entry. Of this amount some 481 million super. feet, valued at £A4,980,996, was sold or added to stocks; approximately 2,309,295 super. feet was sawn on commission, and the remainder was consumed in the further manufacture of commercial timber items.

ARTICLES PRODUCED

Following are details of articles produced by Australian sawmills other than metropolitan mills, providing a useful summary of Australia's production of essential items from domestic timber:—

Production of Essential Items from Domestic Timber in 1938-39

Items	Quantity Super. Feet	Value £A
Hewn timber—		
Piles, poles, spars, logs, etc.	1,362,503	12,312
Sleepers, hewn	2,075,615	16,462
Palings, split	319,235	2,659
Sawn timber—		
Sleepers, sawn	33,267,815	258,852
Palings, sawn	3,778,777	25,357
Pickets	2,091,869	17,444
Floorboards	23,291,118	326,421
Weatherboards	7,276,899	91,693
Timber, dressed, other	32,939,781	430,871
Joinery	*	24,224
Box shooks	*	69,047
	Number	
Boxes for butter	1,228,567	72,278
Cases for fruit	7,120,456	213,376
All other boxes, cases, etc.	*	14,609
	Gross	
Broom, mop and tool handles	452	258
	Tons	
Firewood	184,511	50,737
	Super. Feet	
Timber, kiln-dried	17,241,874	†
Stocks as at June 30, 1939—		
Logs, hardwood	18,806,844	†
Logs, softwood	1,206,968	†
Sawn timber, hardwood and softwood	49,747,775	†

* Quantity not available. † Quantity only collected.

Details of plywood and veneer production are not as yet available.

EXPORTS

Of the production in 1938-39 exports overseas amounted to over 78 million super. feet valued at approximately £A932,000. This was a marked reduction from the export figures for the previous year (1937-38), which stood at over 101,594,000 super. feet valued at approximately £A1,210,000. The 1938-39 figures compare favourably with averages for the years preceding 1937-38, however.

As an indication of the forms in which timber is exported from the Commonwealth, out of the 78 million super. feet sent out of the country during 1938-39 logs not sawn and spars in the rough amounted to some 8,588,000 super. feet valued at approximately £A146,000; railway sleepers to some 34,035,000 super. feet valued at £A337,758; and other undressed timber to approximately 35,749,000 super. feet valued at £A448,831.

IMPORTS

During 1938-39 imports of timber from overseas sources into Australia amounted to approximately 347,542,000 super. feet valued at £A1,845,264. This was divided into three classes: Undressed timber n.e.i., for the manufacture of boxes, approximately 87,138,000 super. feet valued at £A354,121; logs and spars, approximately 165,797,000 super. feet valued at £A663,000; undressed timber n.e.i., 94,607,000 super. feet valued at £A828,000.

It is of interest to note that imports during the year 1937-38, as well as exports of timber from the Commonwealth, showed a marked increase over the figures for previous years. This was due to the disturbed conditions throughout the world, and the large demand for various timbers to carry out defence measures.

As previously stated, shipping difficulties have tended to increase the Commonwealth's problems with regard to the import and export of timber, due largely to constantly rising freight rates which have made delivered costs almost prohibitive for ordinary building purposes. Although freight rates have recently shown a slight downward tendency, the price discrepancy between imported timbers and local timbers offers no scope for imports of other than urgent parcel lots. For example, at the time of writing imported Douglas fir must be quoted at the rate of 55s. to 60s. per thousand super. feet, whereas comparable domestic timbers are obtainable at 30s. to 35s. per thousand super. feet. Leading importers advise that they would like to place substantial orders both for Douglas fir and hemlock supplies, but find it economically impossible with freight rates in excess of \$25. Present rates range from \$30 to \$35 as compared with the average pre-war figure of approximately \$9.

CURRENT SITUATION

Recent developments in Australian timber production indicate that the heavy demand for construction timbers is causing some difficulty throughout the interior sawmilling industry, due partly to lack of plant to take care of increased orders and partly to the inaccessible and scattered nature of suitable stands of timber.

New Guinea sources of supply also report that, despite an accumulation of walnut veneer logs, which are in heavy demand overseas, tonnage for transport either to the mainland or overseas is practically unobtainable.

Due to lack of the requisite metals and materials from overseas for the production of all-metal aircraft, the Commonwealth and various State forestry departments are now carrying out intensive experiments with Australian woods with a view to the production of all-wood frames. Some timber authorities have stated that excellent results are likely to be obtained with a new "improved

wood" for use in aircraft construction. This "improved wood," although heavier than ordinary timber by 40 per cent, is superior, it is asserted, to any known metal for this purpose in other than its tensile strength, which is 20 per cent below that of high tensile steels. Its cost is claimed to be approximately one-half that of duralumin and one-quarter that of magnesium alloys.

The "improved wood" consists of selected timber of a reasonably porous nature impregnated with a plastic (the most common plastic used being bakelite). The veneer of the timber is prepared and saturated in molten plastic and steam-heated, and when compressed, it is claimed, it is as homogeneous as steel.

It is understood that the Commonwealth Government is giving immediate attention to the possibility of producing wooden frames for aircraft, and, should a decision in this regard be reached, increased quantities of sitka spruce from abroad will doubtless be required to augment local timber supplies.

AUSTRALIAN WHEAT MARKET CONDITIONS

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, July 17, 1940.—Two factors have served to alter the outlook for wheat in Australia during the past month, although each tends to counteract the effects of the other.

The first of these factors is the elimination of the European countries as purchasers of Australian wheat. A total of 2,100,000 bushels destined for the French, Swiss and Norwegian markets now remain in Australia to swell the anticipated carryover.

The other factor is the extremely adverse crop and moisture conditions which persist throughout the Australian wheat-growing areas, delaying sowings and otherwise proving detrimental to the prospects of obtaining a normal wheat harvest. Thus the heavy increase in the amount of wheat estimated to be carried over at the end of this season is not regarded as an unfavourable development.

The wheat position in Australia at this date may be summarized as follows:—

	Bushels
Estimated production 1939-40 season..	210,110,318
Quantity delivered for sale to Australian Wheat Board.. . . .	195,554,000
Sold for shipment abroad and for domestic consumption.. . . .	118,000,000
	<hr/>
	77,554,000
Estimated further domestic consumption..	26,000,000
	<hr/>
Estimated carryover..	51,554,000

Out of the total quantity of 118,000,000 bushels sold, only 33,012,000 bushels had been shipped at the beginning of July. This mainly reflects shipping difficulties, as comparative shipments at the corresponding date last season amounted to 62,000,000 bushels and in the previous season to 98,000,000 bushels.

WHEAT PRICES

Approximate export prices remained without change at 48d. per bushel during the month of May. Prices per bushel for that month during the years 1935 to 1940 were as follows:—

1935, 38·75d.; 1936, 43·90d.; 1937, 62·66d.; 1938, 44·69d.; 1939, 30·28d.; 1940, 48d.

Since November, 1939, prices have been fixed by the Australian Wheat Board.

TRADE COMMISSIONERS ON TOUR

Mr. C. S. Bissett, Canadian Trade Commissioner at Havana, Cuba (whose territory includes Haiti, the Dominican Republic and Puerto Rico); and Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, Jamaica (whose territory includes the Bahamas and British Honduras), are continuing their tours of Canada in the interest of Canadian trade with their territories. Mr. Paul Sykes, Canadian Trade Commissioner at Bombay, India (whose territory includes Burma and Ceylon), will resume his tour of the Dominion in October.

Following are the itineraries of Messrs. Bissett and Fraser:—

Mr. Bissett

Vancouver and Victoria .. Sept. 3 to 7	Edmonton Sept. 10
Calgary Sept. 9	

Mr. Fraser

South Brookfield, Liverpool, Bridgewater and Lunenburg Sept. 3	Charlottetown and district Sept. 10
Halifax Sept. 4 to 6	Port Elgin, Sackville and Amherst Sept. 11
Stewiacke, New Glasgow and Truro Sept. 9	Moncton Sept. 12

Canadian firms who wish to be brought in touch with the Trade Commissioners should communicate, for Edmonton, Vancouver and Victoria, with the office of the Canadian Manufacturers Association; and for other centres, with the respective Board of Trade or Chamber of Commerce.

WOOL SITUATION IN AUSTRALIA

A. K. DOULL, ASSISTANT TRADE COMMISSIONER

Melbourne, July 4, 1940.—According to a statement issued to-day by the chairman of the Central Wool Committee, wool appraisements for the 1939-40 season, which were completed on June 29, totalled 3,604,316 bales valued at £A59,841,898. The total weight of these bales amounted to 1,111,912,416 pounds.

The average price per pound for greasy wool for the season is 12·4052d., which is 1·0323d. less than the flat-rate purchase price of 13·4375d. per pound. The difference between the appraised value and the flat-rate value is equivalent to 8·321 per cent of the appraised value of £A59,841,898.

As the average appraised price per pound for greasy wool is less than the flat-rate purchase price of 13·4375d. per pound greasy, the retention money, namely 10 per cent of the appraised value, which was deducted throughout the year from the appraised value in respect of participating wools, now becomes due and payable.

The amount involved is £A5,742,044 and this sum will be distributed to suppliers of participating wools through the Wool Selling Brokers.

The Central Wool Committee has decided also to distribute the flat-rate adjustment payment to suppliers of participating wools. The amount involved at 8·321 per cent of the appraised value is £A4,777,996. To this amount will be added the sum of £A102,742, which has been appropriated by the Central Wool Committee from interest earnings and other moneys. The total flat-rate adjustment payment will therefore be £A4,880,738, equivalent to 8½ per cent of the appraised value of participating wools.

BUSINESS CONDITIONS IN SOUTHERN AND WESTERN AUSTRALIA

A. K. DOULL, ASSISTANT TRADE COMMISSIONER

Melbourne, July 15, 1940.—Industries in the southern states of Australia have been making decided progress in connection with work for the country's war effort. Particularly since the defeat of France the people in these states have displayed a strong determination to back the Federal Government in every way possible to further Australia's part in the war. Aeroplane construction is going ahead at a satisfactory rate and there has been a great increase in the output of munitions, small arms, and anti-aircraft guns. Woollen mills and clothing factories are working to capacity on uniforms and other military equipment. Business in general has been maintained at a high level. There has lately been a marked decrease in customs revenue and other means of taxation will have to be found to make up for the loss. Subscription to the war loan in the Southern States has been most satisfactory.

VICTORIA

The rainfall in Victoria has been far below normal for the last two months and soaking rains are needed immediately in the wheatgrowing districts if they are to produce moderate crops. Much rain is also needed for grass and other fodder on which the sheep will live during the summer months. It is already apparent that the number of lambs raised and fattened for export will be greatly below average.

Secondary industries continue active and overtime and extra shifts are being used in order to bring production up to maximum quantities. There are shortages in certain classes of skilled labour due to the fact that many skilled labourers have joined the army or are working in munitions or other factories producing war material. Due to a scarcity of certain raw materials many factories will have to curtail output, but there are no signs of essential industries being affected.

Building is in a high state of activity. A number of large city buildings are being constructed in addition to work on factory extensions, military camps, hospitals and various defence works. Allied trades, such as cement, lumber, paint, brick, etc., are consequently active. This activity is not expected to continue, however, for few new projects for large city buildings are likely to come forward while the war continues and the demand for buildings associated with the war effort will ease before long.

Motor car registrations have fallen during the last few months. This decline is probably due in part to the high price of gasoline and in part to anticipation of gasoline rationing, which will become effective on September 1 and will limit motorists to a small weekly quota.

New season's orders in the clothing trades are up to the average of the last few years. Tanners report a decrease in both export and domestic orders. Manufacturers of special order furniture and office supply equipment are busy, whereas producers of home furnishings on a large scale report a marked reduction in consumer demand.

Retail trade in the cities appears to be more active than in the corresponding months of last year, but this is probably due to increased prices rather than to increased demand. Suburban stores report a noticeable decrease in the purchase of semi-luxury goods due to the large number of men in the army camps, an increase in purchases of needed goods, and an increase in savings.

SOUTH AUSTRALIA

Conditions in agricultural and pastoral districts, except for a few favoured sections, are at present most unsatisfactory due to a great scarcity of moisture. Widespread rains are urgently needed to stimulate the growth of cereals and grasses. Wheat seeding has been discontinued in many districts and early sown crops are making little headway. Heavy rains may change the outlook. Dry feed is still available, but lack of green feed has adversely affected the lamb crop, and good-quality export lambs will be few in number. Dairying has also been adversely affected, although there has been some improvement in production of butter and cheese. Wine production for last season was estimated at 10,700,000 gallons for beverage and distillation. This is the smallest figure since 1934. In view of the shrinkage in exports since the war began this decrease in production is, perhaps, not an unmixed blessing.

Secondary industries working on defence contracts are busy. It is expected that the motor body and other engineering works in the state will be more fully utilized for munition production in the near future. Motor vehicle sales have shown a great decrease during the last few months due to the prospect of gasoline rationing. Building industries are maintaining a satisfactory level of activity, but this activity is expected to slacken when work on hand has been completed. Wholesale and retail trade show declines, particularly in the country districts where the seasonal outlook is unfavourable.

WESTERN AUSTRALIA

After four successive months of sub-normal rainfall, useful rains fell in the agricultural parts of the state during June and wheat seeding therefore was begun. If there continues to be moderate rainfall the season is likely to be reasonably satisfactory in the lighter soil districts. Lambing percentages generally were above average, but the lack of green pastures has caused heavy losses both of ewes and lambs in most districts. The condition of stock remains satisfactory in spite of unfavourable circumstances.

Parts of the West Gascoyne area received their best rains in a considerable period of time and banana and vegetable crops benefited materially. As a result of the urgent demand for fibre flax by the Government, there is a likelihood that this industry will be established in the area extending from Waroona to Brunswick.

Large city retailers report some improvement in volume of trade as compared with last year. In Fremantle trade is depressed as wharf labour is spasmodic and earnings heavily curtailed. Manufacturing industries in general are busy, many being occupied on defence contracts. There is a shortage of certain classes of skilled workers as a result of enlistment, but on the whole the supply of labour is ample. Manufacturers who rely mainly on agricultural sales are experiencing some decline in turnover. Arrangements are progressing for the formation of a company to establish a factory in Western Australia for the production of tomato pulp. In view of the increased importance of canned foodstuffs under war conditions, efforts are being made to establish the factory in time to commence production during the coming season.

TASMANIA

While there were beneficial rains during June, further rainfall is needed in all parts of the state. Stock condition has been well maintained to date, but some falling off is now becoming noticeable. Shortages of pasture have led to hand feeding in many districts. Fat stock for slaughtering is in fair

demand but, due to feed shortages, there is little call for store stock. Prospects for the remainder of the winter are not encouraging, since crops of oats, wheat and sheep feed are late and therefore not available for feeding purposes.

Fat lambs exported during the last season totalled 108,345 carcasses. Exports of pork, although amounting only to 410 tons, were practically double the previous season's total.

In view of the scarcity of flax every effort is being made to develop this industry in Tasmania. About 2,000 acres, it is anticipated, will be sown to flax.

Retail trade in Hobart was well maintained during June and both turnover and profits for the twelve months ended June are expected to be the best for several years. Manufacturing industries are fully employed and the textile mills are running three shifts on Government defence orders. Building and allied trades are doing a normal business, but inquiries for new projects are few and a decline in construction is expected when present work is completed.

NEW ZEALAND'S FIRST WAR BUDGET

C. B. BIRKETT, ASSISTANT TRADE COMMISSIONER

Auckland, July 23, 1940.—New Zealand's first war budget, brought down on June 27 by the Honourable Walter Nash, Minister of Finance, proposes taxation and borrowing on a scale unequalled in the Dominion's financial history. The policy of the Government in this budget has been concisely stated as to "tax to the economic limit for war purposes and borrow for essential productive works and for any balance of war requirements."

The total expenditure called for during the balance of the current financial year is £108,123,000. Of this sum £13,000,000 is to be spent on social security benefits and will be provided from the Social Security Fund. The remaining expenditure of £95,123,000 is allocated as follows: £37,500,000 on the army, navy and air force; £37,034,000 on ordinary account; and £20,589,000 on public works.

Meeting part of this expenditure, it is estimated that £37,080,000 will be realized from ordinary revenue, £14,120,000 by special taxation, and £5,506,000 from electricity revenue, highways revenue, etc., making a total of £56,706,000. By means of loans in New Zealand and in London a sum of £38,463,000 will be raised to fill the gap between revenue and expenditure and provide a surplus of £46,000 on March 31, 1941.

WAR EXPENDITURE

The figure of £37,500,000 for war expenses is made up as follows: Army, expeditionary force overseas, £18,000,000; Army, expeditionary force in New Zealand, £7,000,000; Army, home defence, £5,000,000; Navy, £1,500,000; Air Force overseas, £1,750,000; Air Force in New Zealand, £4,250,000.

Arrangements have been made to borrow from the United Kingdom Government the sum of £19,750,000 required for the services overseas. Part of the amount of £17,750,000 for expenditure in New Zealand is to be raised as follows: £6,120,000 by a new scale of death and gift duties, transfer from ordinary account of postage dues, customs duties for war needs, and 15 per cent surtax; £2,000,000 by the extra revenue to be realized from a doubling of the sales tax from 5 to 10 per cent; and £6,000,000 by a new tax to be known as the National Security Tax. The remaining £3,630,000 will be raised by internal loans.

ORDINARY REVENUE AND EXPENDITURE, 1939-40

Ordinary revenue from taxation in 1939-40 amounted to £32,810,599 as compared with estimated tax revenue of £32,320,000; revenue from interest reached £2,908,746 as against an estimated £2,780,000. On the other hand, other receipts

totalled £2,254,814 as against the estimate of £3,160,000. Total ordinary revenue was thus £37,974,159 as against an estimate of £38,260,000. Actual ordinary expenditure was also lower than estimated, amounting to £37,654,820 as compared with the estimate of £38,243,000. The major reduction was in outlays for social and other services, which totalled £19,612,403 as against an estimated total of £22,912,000.

Due to the greater decline in expenditure than in revenue, the ordinary account at March 31 showed a surplus of £319,239 as compared with an estimated surplus of £17,000.

ORDINARY ACCOUNT, 1940-41

Estimated ordinary revenue for the current fiscal year, amounting to £37,080,000, is made up of taxation revenue at £30,905,000, interest at £2,800,000, and other receipts at £3,375,000. Chief revenue items under the heading of taxation, with the actual returns for these items in 1939-40 shown within parentheses, are: customs, £7,500,000 (£9,946,858); beer duty, £1,380,000 (£1,378,999); sales tax, £3,000,000 (£3,510,130); highways, £2,600,000 (£2,997,441); land tax, £1,000,000 (£1,019,084); income tax, £13,550,000 (£10,271,352).

The estimated ordinary expenditure of £37,034,000 provides £15,134,000 for permanent appropriation as against actual expenditure of £17,842,603 in the past fiscal year, £21,650,000 for social and other services as against £19,612,403, and £250,000 for supplementary estimates and contingencies as against £199,814.

On the basis of 1939-40 taxation ordinary revenue would have shown a net decrease of some £2,100,000. By transfer of war expenses to another account and by use of the 1939-40 surplus, this deficiency was reduced to £1,500,000, which is to be taken care of by an increase in income tax. The estimated yield from income tax will be £15,450,000, but transfer of part of the increase to other accounts reduces the figure for ordinary account purposes to £13,550,000.

The new scale of income taxation, apart from increased rates on individual incomes, involves a rise in the rate of company taxation, a new tax on interest receivable in terms of debentures issued free of tax by companies, and the taxing of incomes from the Government's electric supply undertaking, the Internal Marketing and State Coal Mines Departments, and the Commercial Broadcasting Service. In addition it is proposed to transfer to the state the whole of any excess profit made during the war period.

PUBLIC WORKS

The public works program calls for the expenditure of £20,589,000, which is additional to all war and ordinary expenditure, although the requirements under this heading are regarded as being closely connected with the war effort. The allocations are as follows: railways, £3,450,000; expansion of industry, £2,750,000; land development and afforestation, £3,234,000; housing, £4,000,000; highways, £4,350,000; public buildings, etc., £2,805,000.

The estimated revenue for the current year of £5,506,000 from hydro-electricity, highways, etc., is to be applied against the outlays for public works, leaving a net expenditure of £15,083,000 which will be financed by internal loans and credit.

SOCIAL SECURITY FUND

The social security tax on all earned and unearned incomes at the rate of 1s. in the pound continues. The revenue paid into the fund in 1939-40, amounting to £11,367,117, is accounted for as follows: social security registration fees, £635,440; charges on wages and other income, £8,860,920; penalties, fines and interest, £61,390; 1938-39 Consolidated Fund surplus, £809,367; special vote, £1,000,000.

Benefits paid during the past year totalled £10,843,216, leaving a surplus of £523,901. The principal disbursements were: old age, £6,517,899; invalids, £942,196; widows, £785,952; unemployment, £434,497. At March 31, 1940, there were 3,743 males and 310 females receiving unemployment benefits.

As mentioned previously, £13,000,000 will be required for social benefits during the current year and it is hoped that the fund will be able to take care of this expenditure without any additional vote.

NATIONAL SECURITY TAX

Estimated to yield about £6,000,000 in the remainder of the financial year, a direct national security tax of one shilling in the pound on all income is included in the taxation proposals. This tax will be calculated on the same basis as the social security tax that has been in force now for a year. These two security taxes, at a combined rate of 2s. in the pound, will be payable on wages, salaries, and other income without any exceptions, just as social security tax has been hitherto. The national security tax will be credited to the War Expense Account. In this way everyone will make a direct contribution to the war effort. In order to avoid hardship in the case of families with several children certain concessions are proposed in respect to the low-income group.

In effect, the man with £200 a year will pay in national security £10, while the man with £20,000 will pay £1,000; this being additional, of course, to what he is required to pay in income tax and surtax.

INCOME TAX

The grant of a personal exemption of £200 to every taxpayer, regardless of the size of that taxpayer's income, remains in force; also the exemptions of £50 for wife and each child, and the provision relative to adding 33½ per cent to tax on unearned income. As was the case last year, the rates of income tax both for individuals and companies will be increased by 15 per cent, this increase being credited to the War Expense Account.

The method of assessing individual income tax is graduated, starting with 2s. 6d. in the pound for the first £100 and increasing by threepence for each succeeding £100. Thus a taxable income of £100 will be charged 100 times 2s. 6d. or £12 10s., this amount being increased by 15 per cent as a special war tax, making the total payable £14 17s. 6d.

Income taxes payable last year and this year are as follows:—

Taxable Income	1939-40		1940-41	
	£	s. d.	£	s. d.
£ 100	11	19 7	14	7 6
500	69	9 7	86	5 0
1,000	162	18 4	208	8 9
2,000	421	13 4	560	12 6
5,000	1,772	18 4	2,384	16 3

The following table shows the combined weight of income tax and the two security taxes on individuals with no dependents:—

Gross Income	Income Tax		Security Taxes		Total	
	£	s. d.	£	s. d.	£	s. d.
£ 300	14	7 6	30	0 0	44	7 6
400	30	3 9	40	0 0	70	3 9
500	47	8 9	50	0 0	97	8 9
1,000	155	5 0	100	0 0	255	5 0
1,500	299	0 0	150	0 0	449	0 0
2,000	478	13 9	200	0 0	678	13 9

The exemption of £50 is granted for a wife, each child and each relative dependent on the taxpayer, in respect of income tax only.

At the rate of \$3.60 Canadian to one pound New Zealand, the tax on an income of £500 or \$1,800 would be approximately \$350.50, and on an income of £2,000 or \$7,200 it would be \$2,443.30.

Persons in receipt of unearned income would pay amounts considerably in excess of those shown. For instance, a man with an income of £20,000, all from investments, will have to pay in direct taxation—i.e. income tax, social security tax and national security tax—no less than £16,427 18s. 4d. Provision is made that no one will be required to pay at a rate in excess of 17s. 6d. in the pound.

It is estimated that of the £36,000,000 to be realized through direct taxation, £25,000,000 will come from people who earn more than £400 a year. Aggregate income of those in this class totals £56,000,000. The total income of those earning less than £400 a year is £129,000,000 and they will pay £11,000,000. In other words incomes over £400 a year pay 44 per cent of direct taxation and those under £400 pay 9 per cent.

In company taxation the graduation method to be applied will be similar to that in force last year; but the basic rate is to be raised from 2s. to 2s. 6d. in the pound, increasing by graduation of 1/100 of a penny to 8s. in the pound at £6,600 and thereafter by graduations of 1/150 of a penny to a maximum rate of 8s. 9d. in the pound on all income over £7,950. Companies will also pay social and national security taxes as well as tax on interest receivable in terms of debentures issued free of tax.

INDIRECT TAXES

Indirect taxation, involving various increases over last year's rates of customs duties, sales tax, petrol tax, beer tax, and highways tax, will produce about £18,000,000, making a total revenue from taxation of some £54,000,000 or an increase of 35 per cent over last year's figure.

NATIONAL SAVINGS AND COMPULSORY LOANS

Provisions are being made to enable persons to subscribe small amounts to Government loans through a National Savings Scheme. Large investors will be given opportunity to contribute to the war expenses by lending money free of interest for three years or until 12 months after the conclusion of the war. In respect to those who are in a position to lend money and who do not do so, the Government is considering compulsory measures.

PUBLIC DEBT

The net borrowings during the fiscal year 1939-40 amounted to £18,937,264, bringing the total public indebtedness to £322,907,536. The greater part of this sum is held in London.

MEXICAN MARKET FOR IRON AND STEEL PRODUCTS

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, August 15, 1940.—Although Canada's sales to Mexico of constructional iron and steel products have never been of importance, due probably to inability to compete with the United States, Italy, Great Britain, and Germany, under present conditions the opportunity for Canadian exporters to share in this market appears more favourable.

In the Monterrey area the leading manufacturer of iron and steel products is the Compania Fundidora de Hierro y Acero de Monterrey, which has extensive holdings in mines but by no means produces sufficient quantities of iron and steel constructional material to supply the domestic demand.

Following are notes on specific lines in which there would seem to be an opportunity for Canadian exporters to compete. Interested firms are invited to communicate with the office of the Canadian Trade Commissioner in Mexico City.

STRUCTURAL "TEES" AND "ZEES"

A large amount of new building is going on in Mexico, as investors consider that building investments are preferable to other types at the present time. Due to abnormal demand, local mills are unable to supply sufficient constructional "tees." Prices should be quoted per hundredweight c.i.f. Tampico or Veracruz.

The sizes required in "tees" are as follows, dimensions being expressed in inches:— $\frac{3}{4}$ by $\frac{3}{4}$ by $\frac{1}{8}$; $\frac{7}{8}$ by $\frac{7}{8}$ by $\frac{1}{8}$; 1 by 1 by $\frac{1}{8}$; $1\frac{1}{4}$ by $1\frac{1}{4}$ by $\frac{1}{8}$; $\frac{1}{2}$ by $\frac{1}{2}$ by $\frac{1}{8}$.

Structural "zees" are required in the following sizes: $\frac{1}{2}$ by $\frac{1}{2}$ by $\frac{1}{2}$ by $\frac{1}{8}$; $\frac{3}{4}$ by $\frac{3}{4}$ by $\frac{3}{4}$ by $\frac{1}{8}$; 1 by 1 by 1 by $\frac{1}{8}$; $1\frac{1}{4}$ by 2 by $1\frac{3}{4}$ by $\frac{1}{8}$; $1\frac{1}{4}$ by $1\frac{3}{4}$ by $1\frac{3}{4}$ by $\frac{3}{16}$.

DEFORMED ROUND REINFORCEMENT BARS

These bars are imported in large quantities for cement construction work. There are two local mills in operation, but their production is negligible, since the local production of wire pays better. Two qualities are in demand in the Mexican market: (a) new billet and (b) rail steel, the latter being somewhat cheaper. The only two sizes saleable in Mexico are $\frac{3}{8}$ -inch and $\frac{5}{16}$ -inch diameter with a length of 12 metres. The weight of a 12-metre bar in $\frac{5}{16}$ -inch is from 4.8 to 5 kilos. This product can be imported into Mexico in carload lots. Exporters desirous of entering this market should supply a few designs in order that the local trade may examine the pattern; the "diamond" design is in use. Prices should be c.i.f. Veracruz or Tampico for minimum lots ranging from 25 to 100 tons at a time. Orders are placed weekly for this line and range from one to four carloads.

SOFT STEEL BANDS

The Mexican market for soft steel bands is somewhat smaller than for the above products. The estimated value of imports is from \$25,000 to \$35,000 a year. Steel bands are imported in carload lots with a value of from \$1,500 to \$1,700 each. The sizes in demand are as follows, dimensions being expressed in inches: $\frac{1}{2}$ by $\frac{1}{2}$ by $\frac{1}{8}$; $\frac{5}{8}$ by $\frac{5}{8}$ by $\frac{1}{8}$; $\frac{3}{4}$ by $\frac{3}{4}$ by $\frac{1}{8}$; 1 by 1 by $\frac{1}{8}$; $\frac{3}{4}$ by $\frac{3}{4}$ by $\frac{3}{4}$. Prices should be c.i.f. Veracruz or Tampico per hundredweight.

STANDARD STEEL PIPE

There is no production of standard steel pipe in Mexico, and the bulk of the imports are from the United States. Standard steel pipes for the Mexican market are black and galvanized. This pipe should not be reinforced, and the threads should be of the American type. Sizes are from $\frac{1}{8}$ -inch to 4 inches diameter, and length of pipe approximately 20 feet. American steel pipe of $\frac{1}{2}$ -inch diameter with a weight of 0.852 pound per linear foot sells best; the wall thickness of such a pipe is 0.109 inch; the above includes one coupling. Exporters desirous of entering the Mexican market should supply their own basic prices, stating the discounts to be granted. Importation is in carload lots, and the value of annual imports of steel pipe into Mexico amounts to several hundred thousand dollars.

FLAT BLACK SHEETS

Canadian exporters to the Mexican market should forward base prices for 24BG 3-inch by 6-inch and 3-inch by 8-inch sheets. According to the American standard, the increases and decreases in price for lighter and heavier gauges are as follows:—

	BG	10	12	14	16	18	20	22	
minus:		60	55	45	30	15	10	5	cents (off base price)
	<u>24 BG.</u>								
Base price.									
	BG	26	28	30	32				
plus:		15	30	60	100	cents (above base price)			

Prices should be per hundredweight c.i.f. Veracruz and Tampico. Black sheets are sold in Mexico from 10 BG to 32BG.

TINPLATE

The most saleable lines in tinplate are the following:—

Size of sheets	Lbs. base Weight	Sheets per box
14" by 18 $\frac{3}{4}$ "	107	112
14" by 18 $\frac{1}{2}$ "	135	112
10" by 20"	107	224
10" by 20"	135	224
14" by 20"	65-70-75-80-85-90 up to 135	112

Tinplate also is imported by manufacturers of crown corks. The requirements for this type of business are as follows: size of sheets, 14 inches by 20 inches; pounds base weight, 90, 100 and 107; sheets per box, 112.

Imports of tinplate into Mexico are large; prices should be quoted per box c.i.f. Tampico or Veracruz.

WIRE RODS

In the Mexican market the following sizes of wire rods are in demand: $\frac{1}{4}$ -inch, $\frac{3}{8}$ -inch, $\frac{1}{2}$ -inch, and $\frac{5}{16}$ -inch diameter. The local production of wire rods is in smaller sizes, consequently there is a Mexican demand for the above-mentioned sizes from foreign sources of supply. Prices should be quoted c.i.f. Tampico or Veracruz per hundredweight.

BARBED WIRE

Barbed wire is imported into Mexico in carload lots and in large quantities. When conditions were normal, it was principally imported from Germany, the United States, and Japan. Importers in Mexico desire the base price of the following: BWG 12, 4 points 3 inches apart, Iowa type (the points on 2 wires), on red wooden reels weighing 100 pounds, c.i.f. Veracruz or Tampico. The following calibres can also be sold:—

BWG 12 $\frac{1}{2}$	which takes an increase of 7 $\frac{1}{2}$ cents above base price.
BWG 13	which takes an increase of 20 cents above base price.
BWG 13 $\frac{1}{2}$	which takes an increase of 30 cents above base price.
BWG 14	which takes an increase of 40 cents above base price.

The best selling line is Iowa type.

Furthermore, there are the following increases above base price: for red wooden reels weighing 75/88 pounds, 5 cents; weighing 65/74 pounds, 10 cents; weighing 55/64 pounds, 15 cents. Red wooden reels in general take an increase of 5 cents. All increases are per 100 pounds and all the foregoing figures are based upon American standard price list.

WIRE NETTING

The following types of wire netting are imported into Mexico: mosquito wire netting; galvanized hexagonal wire netting of 1-inch mesh by one metre width and 45 metres long; galvanized square wire netting, 30, 40, 50, 60 meshes per linear inch; brass and copper wire netting, 30, 40, 50, 60, 70, 80, 90, 100 meshes per linear inch.

MISCELLANEOUS LINES

A number of miscellaneous lines are considered to offer opportunities for Canadian exporters. Among these are brass and copper discs for the plumbing industry, aluminium discs for the manufacture of kitchen utensils, plumber tools, engineer tools, etc. Furthermore, there is from time to time a demand for rail steel of $\frac{3}{8}$ -inch and $\frac{5}{16}$ -inch and for new billet steel of $\frac{3}{8}$ -inch and $\frac{5}{16}$ to $\frac{1}{2}$ -inch.

SHIPPING

While Canadian mills are not as favourably located geographically as those in the United States, it must be borne in mind that the majority of the American mills are in the Pittsburg and West Virginia areas. These must obviously ship their products by rail to New York for transshipment to Mexico via the Mexican Atlantic seaports. Canadian shipments might be made on a through bill of lading to New York, and then by Ward Line to Mexico City via Veracruz or Tampico. The through bills of lading as issued by the Ward Line to Mexico City via Veracruz are subject to a reduction of about 5 cents per hundredweight for iron and steel goods as against shipment on a local bill of lading to Veracruz. In figuring quotations this point should not be overlooked. Quotations on the above products should be based on full carloads c.i.f. Veracruz or Tampico.

MEXICAN MARKET FOR PICKERS AND PICKING BANDS

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, August 13, 1940.—There are a number of jute mills in Mexico using imported pickers and picking bands. The type used is the "Rawhide" picker, Nos. 4 and 5. Importers will be interested in obtaining supplies from Canada, provided prices are competitive. The price for pickers from the United Kingdom has been around 20 cents for the lower grades. The well-known English "Beta" pickers are not used, as they are too expensive. The drop-box type is not favoured in Mexico; that known as the round-foot picker is wanted.

Picking bands, or fouets de chasse, are also imported into Mexico from the United Kingdom, shipments amounting to approximately 20,000 kilos (of 2·2 pounds) a year. There is a sufficient stock of picking bands on hand in the country for two or three months, but since it is now difficult to obtain supplies from the United Kingdom, Mexican importers would be interested in Canada as an alternative source. Samples of pickers and picking bands have been forwarded to the Department of Trade and Commerce at Ottawa, and are available for inspection by interested Canadian firms on application.

SHUTTLES

Another product imported is the cornelwood cotton compressed shuttle of best quality, fitted, hardened and tempered, with square head, 4-inch tapered tweezer pegs, and broad iron cups, impregnated, dried, varnished and stamped with local manufacturer's name, in sizes $13\frac{1}{2}$ inches by $1\frac{9}{16}$ inch by $1\frac{3}{16}$ inch.

The latest price quoted for the United Kingdom product is 27s. 6d. a dozen; this has probably advanced to 30s. Prices for these shuttles from the United States are too high, and importers are therefore interested in Canada as a source of supply.

If cornelwood cannot be obtained (although this wood is preferred) per-simmon wood can be used. Samples of the shuttles and bobbins used in Mexico have also been supplied to the Department of Trade and Commerce, Ottawa. Interested Canadian exporters are requested to communicate with the Canadian Trade Commissioner at Mexico City.

LEATHER AND BOOT AND SHOE TRADE IN COSTA RICA

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

(5·62 colones equal U.S.\$1)

Panama City, August 10, 1940.—The population of Costa Rica as at the end of 1937 was estimated to be 606,581. While the standard of living of the upper classes is rather high, the needs of the great mass of the population are limited, and their purchasing power is low. Manufacturing has not reached a high stage of development, but the limited number of industries includes shoe factories.

Costa Rica is dependent chiefly upon agriculture. The principal industry is coffee growing, followed by banana cultivation and the production of cocoa and sugar. The cattle-raising industry is small.

LEATHER

Although a limited amount of sole leather is produced locally, Costa Rica is dependent upon imported leather for the manufacture of boots and shoes and, in proportion to the population and demand, imports of all types of leather are fairly substantial. In 1938 they were valued at U.S.\$195,159 as against \$200,751 in 1937 and \$212,211 in 1936.

The duty on sole leather is 0·30 colon per kilo (2·2 pounds) gross weight, while the rate on calf, patent and glazed kid is 0·50 colon.

BOOTS AND SHOES

As stated above, the manufacture of boots and shoes is one of the few industries in Costa Rica. Production is largely by hand, and Costa Rican shoes are favourably regarded for their workmanship and quality. The industry is protected by a substantial tariff, the duties on footwear, based on gross weight, being as follows:—

	Colones per Kilo
Sports shoes	3.00
Ordinary leather shoes with nails or wooden pegs	3.00
Children's shoes up to size 25	21.00
Children's shoes, sizes 26 to 36	18.50
Calfskin footwear	6.00
Kid, patent or glazed, for men	10.50

Partly manufactured boots and shoes or parts thereof pay the corresponding rate of duty plus 50 per cent.

Statistics of imports of shoes into Costa Rica are not available for the years 1936 and 1937, as they were then included under the general heading "manufactured leather." The total value of imports in 1936 was U.S.\$30,562, and under the same heading the total imports in 1937 were valued at \$33,336. In 1938, however, imports of shoes were shown separately and were valued at \$2,617.

LEATHER AND BOOT AND SHOE TRADE IN VENEZUELA

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

(U.S.\$1 equals 3.19 bolivares; one kilo equals 2.2 pounds.)

Panama City, August 7, 1940.—It is impossible from available Venezuelan statistics to provide a picture of the trade in shoe leather and boots and shoes in Venezuela, as the figures are not classified according to types and groups.

BOOT AND SHOE INDUSTRY

The local industry, although not mechanically well equipped, is extensive and is protected by a high tariff, amounting to 32 bolivares per kilo gross weight.

The purchasing power of the 3,406,073 inhabitants of Venezuela is very low, and the popular footwear consists of a piece of leather with a thong to fit over the big toe. Numerous small establishments throughout the country largely take care of local requirements. Few are large enough to distribute their products to centres other than those in which they are located. They specialize in made-to-measure shoes which are comparatively cheap and are made according to the style desired by the purchaser and the amount he is prepared to pay.

LEATHER IMPORTS

Imports of leather of all types into Venezuela amounted in 1936 to 175,852 kilos (2,731,741 bolivares) as against 266,211 kilos (3,327,595 bolivares) in 1937 and 245,058 kilos (2,746,094 bolivares) in 1938.

Imports of leather into Venezuela by countries of origin in the years 1936 to 1938 were as follows:—

	1936		1937		1938	
	Kilos	Bolivares	Kilos	Bolivares	Kilos	Bolivares
Germany	89,754	1,687,624	121,294	1,855,267	68,556	1,934,825
United States	68,373	854,839	86,982	1,152,332	106,329	1,188,354
Uruguay	12,117	102,133	14,873	125,470	22,744	150,198
United Kingdom . . .	.....	.....	715	15,534	874	22,030
Holland . . . . .	.....	.....	4,070	83,893	24,566	336,472
Other countries. . .	5,608	87,145	38,277	95,099	21,989	114,215
Total	175,852	2,731,741	266,211	3,327,595	245,058	2,746,094

BOOT AND SHOE IMPORTS

Imports of all types of shoes into Venezuela are included under "shoes and manufactured parts thereof." In 1938 the imports under this heading amounted to 25,591 kilos (1,510,068 bolivares) as compared with 20,802 kilos (1,356,724 bolivares) in 1937.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

IMPORT LICENSING REGULATIONS

The Chief Trade Commissioner in London writes that the Board of Trade announce that, as from August 5, 1940, the Open General Licence authorizing the import into the United Kingdom of the following goods from the countries specified has been revoked, and separate licences to import will now be required:—

From all Countries.—Malt extracts and methyl alcohol.

From Ireland.—Fruit preserved (with or without added sweetening matter) in airtight containers, excluding fruit pulps, jam and marmalade; vegetables preserved in airtight containers (including vegetable pickles preserved in vinegar in airtight containers).

Ireland

IMPORT QUOTAS ON SPARK PLUGS

Mr. George Shera, office of the Canadian Trade Commissioner in Dublin, advises that, by an order of the Government of Eire dated July 30, 1940, a further import quota and quota period have been announced for the importation into Ireland of spark plugs and component parts thereof. The amount fixed is 4,000 articles and the period September 1, 1940, to February 28, 1941; the amount being the same as that allowed for the preceding six months.

Australia

ADMINISTRATION OF IMPORT LICENSING REGULATIONS

INTERPRETATION OF CATEGORIES

An "Interpretation of Schedule of Categories" was issued by the Australian Department of Trade and Customs on July 11, 1940, in connection with the Import Licensing System that was adopted on December 1, 1939.

It is pointed out that while the categories A (very important), B (important), C (less important) and D (unimportant) refer to the relative position of goods as importations into Australia, they do not necessarily indicate the relative degrees of restriction that may be imposed on their importation. The case of crude rubber (tariff item 331A) is quoted as an example of variation between the importance of the goods as an import and the degree of restriction at present imposed. Crude rubber is not produced in Australia and is an essential import, therefore it is placed in category A (very important). At present Australian requirements of crude rubber are obtainable in full from "sterling" countries, therefore importation from "non-sterling" countries has been restricted 100 per cent and no licence may be issued without special authority. Similarly, total or partial restrictions may be imposed from time to time on goods in other categories, but the importance of such goods as Australia imports is not thereby altered.

IMPORTS FROM IRAQ EXEMPTED FROM LICENSING REQUIREMENTS

An Order issued on June 8, 1940, announced that Iraq is included among the countries regarded as "sterling" countries for the purposes of the import licensing regulations, i.e. products of Iraq are exempt from licensing requirements when imported into Australia.

EXEMPTION OF IMPORTS FROM FRANCE REVOKED

The exemption from licensing requirements of goods of French origin, announced in *Commercial Intelligence Journal* No. 1897, June 8, 1940, page 919, has been revoked as from July 23, 1940. Provision is made for the admission of French goods in transit to Australia, or purchased in the United Kingdom by an Australian importer, prior to July 23.

OTHER REGULATIONS

Essential Oils.—The provision for the licensing of essential oils referred to in *Commercial Intelligence Journal* No. 1899 (June 22, 1940), page 990, applies only to essential oils admissible under tariff items 287, 288, 415(A)(1) and 415(A)(2).

Sodium Cyanide and Calcium Cyanide from Canada.—Licences for the importation of sodium cyanide and calcium cyanide of Canadian origin under tariff item 274(A) may now be issued freely, as and when required, irrespective of quantity, value, or relationship to the applicant's importations during the base year. This does not apply to cyanide the produce or manufacture of other countries.

Gas Carbon Black.—The concession respecting importation of gas carbon black admissible under tariff item 404A, referred to in *Commercial Intelligence Journal* No. 1903 (July 20, 1940), page 105, is to be operative for the current and future periods only, and is not to have retrospective effect.

Hand-Bag Frames.—Hand-bag frames classified under tariff items 208(A) and 404 may be licensed for admission during the months July to December, 1940, up to 25 per cent of base-period values. During future licensing periods covering the months January to July licences may be issued up to 75 per cent of base-year values.

Golf Club Shafts.—Finished golf club shafts of metal or wood, also hollow tapered metal golf club shafts in the rough, and rough turned wood golf club shafts for the manufacture of golf clubs, have been placed in licensing category D for which, it is announced, no licences will be issued.

Silk Piece-Goods.—The concession in respect of certain piece-goods regarded as seasonal, referred to in *Commercial Intelligence Journal* No. 1906 (August 10, 1940), page 231, has been withdrawn in so far as it relates to silk piece-goods under tariff item 105(D)(2) (a) and (b).

Calico for Bag Making.—Importers' base year quotas for calico for bag making under tariff item 105(A)(2) are increased to the extent of 45 per cent by value.

Motor Vehicle Replacement Parts.—Where original equipment is found to be defective, and in cases where original equipment has been short-shipped, licences may be granted to cover replacement of these items provided the facts are established to the satisfaction of the licensing officer. This does not apply to replacement parts once the car has been passed O.K. for delivery.

Tractor Replacement Parts.—Power shafts classifiable under tariff item 176(F)(1) are added to the list of tractor replacement parts that may be grouped for licensing purposes, as published in *Commercial Intelligence Journal* No. 1899 (June 22, 1940), page 991.

Petroleum Jelly.—The granting of licences freely for the importation of petroleum jelly, as announced in *Commercial Intelligence Journal* No. 1899 (June 22, 1940), page 992, has been withdrawn and licences are now issued up to the level of imports of this commodity during the base year under tariff items 290(A) and 404A respectively.

Machinery.—Applications for import licences for practically all classes of machinery now have to be submitted to the Central Licensing Office. Licences for the admission of machinery are no longer issued on the quota basis.

Bahamas

ADDITIONAL IMPORT DUTY

The Bahamas War Relief Tax Act 1940, effective May 9, 1940, imposes an additional duty of 1 per cent ad valorem on goods imported into Bahamas which are subject to customs duties. This duty will remain in force until June 30, 1941.

Trinidad

GOODS OF FOREIGN ORIGIN

The Trinidad Control Board gave notice on July 22, 1940, that the importation from any part of the British Empire of goods of every description of foreign origin which are prohibited, or in respect of which import licences are necessary, shall not be permitted into the Colony save under special import licences. The Board issued a notice next day stating that goods of foreign origin, the importation of which is prohibited into the Colony, may not be imported from any other Empire country.

St. Vincent

IMPORT LICENSING EXTENDED TO WHOLE EMPIRE

An order of the Competent Authority of St. Vincent effective June 27, 1940, requires import licences for goods from all countries of the British Empire as well as from foreign countries, and cancels the general import licence of November 16, 1939, permitting importation of goods from the United Kingdom and other sterling areas without individual licence for each shipment. Announcement of the previous St. Vincent import regulations was published in *Commercial Intelligence Journal* No. 1869 (November 25, 1939), page 999.

British Malaya

SOAPSTONE IMPORTS SUBJECT TO LICENCE

Notifications given by the Governments of the Straits Settlements on July 3, and of the Federated Malay States on July 8, transfer "talcum powder (soapstone) for rubber packing" from the schedule of goods prohibited to be imported from non-sterling countries, including Canada, to the list of goods which may be imported from these areas under licence.

United States

CERTAIN IMPORT TAXES EXTENDED TO JUNE 30, 1945

The weekly issue of the United States Treasury Decisions dated August 8 contains a notification (approved July 31) to collectors of customs and others concerned, to the effect that Section 209 of the Revenue Act of 1940 extends the period of operation of import taxes imposed under Section 3420 of the Internal Revenue Code, from June 30, 1941, to June 30, 1945. These import taxes were originally imposed by the Revenue Act of 1932, and affect petroleum and derivatives; coal, coke and briquettes; lumber; copper-bearing ores and concentrates and articles containing copper.

Import taxes imposed under Revenue Acts of 1934 and 1936, amended in 1938, on various oils and seeds, were not enacted for any specified period and continue in operation.

Netherlands Indies

INCREASED DUTIES ON SPECIFIED PRODUCTS

A Netherlands Indies Notification, effective July 1, 1940, increases import duties from 6 to 12 per cent ad valorem on X-ray films and from 12 to 20 per cent ad valorem on medicinal soap, electrical smoothing irons, geysers and automatic hot-water apparatus, electric stoves, kitchen heaters, toasters and various other electrical household devices. Simultaneously, the surtax on such goods is increased from 25 to 50 per cent of the duty. The former reduced rates, applicable to all countries, were effective up to June 30, 1940, under article 3 of the trade agreement between Netherlands India and Germany, concluded on June 30, 1937. This reduction of duties was of general validity also for goods other than of German origin. Since there was no regulation as to what duties were to be levied on the commodities in question after June 30, 1940, it was necessary to find a provision for such duties as is contained in the present notification.

TENDERS INVITED

Australia

POSTMARKING MACHINES FOR POSTMASTER-GENERAL'S DEPARTMENT

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, writes under date July 22, 1940, that the Deputy Director of Posts and Telegraphs, Melbourne, is calling for tenders for the supply and delivery of light-duty postmarking machines for letters. The closing date for tenders in Melbourne is October 8, 1940, and interested Canadian manufacturers may inspect a specimen copy of the schedule and specification issued by the Australian Postmaster-General's Department, indicating the quantities of machines required and other essential information, by applying to the Department of Trade and Commerce, Ottawa, quoting file No. 13945.

MECHANICS' TOOLS FOR AUSTRALIAN POSTMASTER GENERAL'S DEPARTMENT

Mr. Palmer also advises that the Deputy Director of Posts and Telegraphs, Melbourne, is calling for tenders for the supply and delivery of mechanics' tools (gauges, etc.). The closing date for tenders in Melbourne is October 10, 1940. Interested Canadian manufacturers may obtain particulars of the gauges required, quantities, etc., on application to the Department of Trade and Commerce, Ottawa, quoting file No. 13945.

Canadian manufacturers not already represented in Australia who may be interested in these tenders are advised to seek the assistance of an Australian firm well versed in procedure connected with tendering for the requirements of Australian government departments. The name of such a firm may be obtained on application to the Department of Trade and Commerce, Ottawa.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.

Halifax, N.S.

Quebec, P.Q.

Montreal, P.Q.

Toronto, Ont.

Chatham, Ont.

Guelph, Ont.

Kitchener, Ont.

Brantford, Ont.

Stratford, Ont.

Woodstock, Ont.

St. Mary's, Ont.

Portage la Prairie, Man.

St. Boniface, Man.

Winnipeg, Man.

Vancouver, B.C.

New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.

Kingston, Ont.

Oshawa, Ont.

Belleville, Ont.

Peterborough, Ont.

London, Ont.

St. Catharines, Ont.

Hamilton, Ont.

Victoria, B.C.

Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.

Montreal, P.Q.

Winnipeg, Man.

Edmonton, Alta.

Vancouver, B.C.

Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Canned Salmon.....	552	Valparaiso, Chile.....	Purchase.
Miscellaneous—			
Machine Tools.....	553	Santiago, Chile.....	Purchase.
Boiler Tubes, 1 inch to 4 inches...	554	Santiago, Chile.....	Purchase.
Lead in Sheets.....	555	Santiago, Chile.....	Purchase.
Transmission Shafting.....	556	Santiago, Chile.....	Purchase.
Transformers, for India.....	557	Birmingham, England.....	Purchase.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING AUGUST 26, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for the principal exchanges for the week ending Monday, August 26, 1940, and for the week ending Monday, August 19, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Aug. 19	Nominal Quotations in Montreal Week ending Aug. 26	Official Bank Rate
Finland	Markka	.0252	\$.0219	\$.0219	4
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	..
Greece	Drachma	.0130	.0073	.0073	6
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial		.2150	.2150	..
Yugoslavia	Dinar	.0176	.0249	.0249	5
Portugal	Escudo	.0442	.0428	.0426	4-4½
Roumania	Leu	.0060	.....	.....	3½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2643	.2644	3
Switzerland	Franc	.1930	.2527	.2526	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2208	.2212	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.....	.....	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.....	.....	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2599	.2520	—
Brazil	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0557	.0557	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6326	.6326	4
Peru	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.3874	.3883	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0611	.0592	—
Hongkong	Dollar	.....	.2500	.2495	—
India	Rupee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2601	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.....	.....	—
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5760	3.5760	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds remained unchanged at \$4.43-\$4.47 and \$1.10-\$1.11 during the week ended August 26. In the same interval sterling free market rates at New York fluctuated within a ¼ cent range, while the close at \$4.03 indicated a net increase of ½ cent. According to exchange dealers, volume of trading in free sterling continued to decline to very small proportions as restrictions tightened. Announcement was made from London during the week that effective August 27 importation of Bank of England notes will not be permitted. Following a drop to 86½ cents on the opening day, Canadian funds at New York subsequently stiffened to 87 cents at the close, for a net increase of ½ cent. Swiss francs and Swedish kronor, among the few remaining free currencies left in Europe, were steady in terms of the Canadian dollar.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: G. R. HEASMAN, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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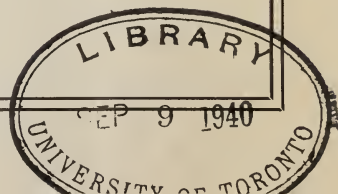


Unloading Canadian Refractory Cement at Calcutta, India

ISSUED BY AUTHORITY OF

THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE

J. G. PARMELEE, DEPUTY MINISTER



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No. 1910

TRADE COMMISSIONERS ON TOUR

Mr. V. E. Duclos, Canadian Trade Commissioner at Shanghai, China (whose territory includes Central China and North China), and Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, Jamaica (whose territory includes the Bahamas and British Honduras), are on tour in the Dominion in the interest of Canadian trade with their territories. Mr. Paul Sykes, Canadian Trade Commissioner at Bombay, India (whose territory includes Burma and Ceylon), will resume his tour in October.

Following are the itineraries of Messrs. Duclos and Fraser:—

Mr. Duclos

Montreal and district... .	Sept. 9 to 14	Prescott and Brockville ..	Sept. 23
Saint John and district..	Sept. 16	Kingston and Belleville ..	Sept. 24
Halifax... .	Sept. 18 and 19	Peterborough .. .	Sept. 25
Quebec City... .	Sept. 21	Oshawa... .	Sept. 26

Mr. Fraser

Port Elgin, Sackville and Amherst... .	Sept. 11	Moncton... .	Sept. 12
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Canadian firms who wish to be brought in touch with the Trade Commissioners should communicate, for Montreal, with the Montreal Board of Trade; and for the other centres, with the respective Board of Trade or Chamber of Commerce.

CONTROL OF EXPORTS FROM CANADA

For convenient reference and to meet frequent inquiries, we publish herewith a list of goods which have been prohibited export from Canada, except under permit issued by or on behalf of the Minister of National Revenue, under Orders in Council issued during the twelve months since the outbreak of war and orders made under the authority of an Order in Council during this period; also a list of the neutral countries to which goods may not be exported except under permit issued by or on behalf of the Minister of National Revenue. These lists represent a consolidation of the information contained in various notices which have appeared from time to time in the *Commercial Intelligence Journal* under the above heading. The list of goods includes a few additions to those named in these notices. Both lists are arranged alphabetically and have been brought up to date as of September 3, 1940.

GOODS PROHIBITED EXPORT EXCEPT UNDER PERMIT

In the following list of goods which it is prohibited to export except under permit issued by or on behalf of the Minister of National Revenue, any requirement as regards approval by a particular authority of the issue of a licence is indicated. In the case of all other items applications for permission to export should be made direct to the Department of National Revenue. Applications in all cases must also be made on Foreign Exchange Control Board Form B, which is obtainable from any bank or customs collector.

Arms, ammunition, implements or munitions of war, or any articles deemed capable of being converted therinto or made useful in the production thereof

Articles enumerated under the latter description are:—

Asbestos, including asbestos sand and waste.
 Artificial abrasives, including abrasive wheels and grindstones.
 Bauxite, alumina and aluminium.
 Cadmium.
 Cobalt, in ore, refined, salts and stellite.
 Copper, in ore, concentrates and refined.
 Ferromanganese.
 Iron or steel rails, pipes and tubes, new or used.
 Lead, in ore, concentrates and refined.
 Mica, including scrap and waste.
 Molybdenum, ore and concentrates.
 Nickel, in ore, matte and refined.
 Nickel oxide.
 Pig iron.
 Platinum concentrates and residues.
 Pyrites.
 Radium and uranium salts and minerals (including pitchblendes).
 Scrap metal of all kinds.
 Selenium.
 Spiegeleisen, silico-spiegel, silico-manganese.
 Steel ingots, blooms and billets.
 Tellurium.
 Tungsten, ore and concentrates, tungsten carbide.
 Zinc in ore, concentrates and refined.

Certain of these items are further defined as follows:—

Asbestos.—To include asbestos packing, brake lining, clutch facings, gaskets, and asbestos in primary forms.

Aluminium, copper refined, lead refined, nickel refined, zinc refined.—These items should be included but should not necessarily be limited to mill forms, cast, rolled, extruded, or drawn, such as: ingots, pigs, blocks, cathodes, lumps, drops and shot; blooms, slabs, billets, bars, rods, plates, sheets, hoop, band, strip; angles, beams, channels, tees, zeels, and other shapes or sections; pipes and tubes; wire, including twisted or stranded wire, and wire rope or cables.

The term "copper" to include brass and bronze; the term "nickel" to include monel metal; refined lead to include antimonial lead, type metal and babbitt metal.

Calves' stomachs.

Canned lobster.

Licences for the export of canned lobster may be issued only with the approval of the Controller for Canned Lobster. The Controller is authorized to approve of such export licences only if he is satisfied that the terms and circumstances of the proposed exportation are not likely to be injurious to the marketing abroad of canned lobster. Applications for permission to export canned lobster should be forwarded direct to the Controller for Canned Lobster, Salt Fish Board Office, Halifax.

Cheese.

No company or individual may export cheese from Canada without permission from the Dairy Products Board. This order does not apply to cheese shipped to the United Kingdom by licenced exporters under instruction of the Board nor to casual exportations not exceeding 50 pounds in any one shipment.

Further, the export of cheddar cheese to non-Empire countries is prohibited. This prohibition applies to cheese made on or after April 1, 1940. Exemption is made, however, in the case of bona fide sales of cheese previous to the issue of the Board's original order on July 11.

All applications for permission to export cheese in addition to the information required on Foreign Exchange Control Board Form B, must contain information as to the kind, style and grade of cheese. All applications must be forwarded in quintuplicate direct to the Dairy Products Board, Ottawa.

Coal and coke.

As from December 1, 1939, the Wartime Prices and Trade Board was authorized to license all persons dealing in coal and coke. Collectors of Customs may not accept entries for the importation or exportation of coal and coke unless the number of the licence issued by the Coal Administrator is shown on the customs entry. These regulations do not apply to casual importations or exportations not exceeding five tons.

Cod livers and cod liver oil, crude or refined.

Licences for the export of cod livers and cod liver oil, crude or refined, shall be withheld unless approved by the Wartime Prices and Trade Board, Ottawa.

Fertilizers.

Licences for the export of fertilizers of every kind and analysis, with the exception of calcium cyanamide and fertilizers put up in small packages for household and amateur garden use, shall be withheld unless recommended by the Minister of Agriculture. Regulations governing such export have been established by the Fertilizer Supply Committee, Department of Agriculture, Ottawa. These regulations state that, until further notice, certificates will not be issued for the export of nitrate of soda, nitrate of potash, nitrate of calcium, nor potash salts in any form. It is intended to permit normal export of mixed fertilizer, particularly to Newfoundland, the states of Maine and Washington; and sulphate of ammonia and organics to the United States and other non-enemy countries. Only if adequate Canadian supply of any of the items is endangered by excessive export demand will certificates not be issued. Export certificates will be issued upon application to any of the offices of the Plant Products Division, Department of Agriculture, Ottawa.

Fibre flax.

Licences for export of fibre flax shall be withheld unless recommended by the Minister of Agriculture. All applications for permission to export shall be forwarded direct to the Deputy Minister, Department of Agriculture, Ottawa.

Fibre flax seed.

Licences for the export of this item shall be withheld unless recommended by the Agricultural Supplies Board, Department of Agriculture, Ottawa.

Fish livers and fish oils.

Licences for the export of fish livers, fish oils, fish liver oils and fish visceral oils must have the approval of the Wartime Prices and Trade Board. Applications for permission to export these commodities should be sent to the Board.

Leather, hides and skins.

Licences for the export of leather, hides and skins, other than fur skins, shall not be issued unless approved by the Wartime Prices and Trade Board on a recommendation of the Hides and Leather Administrator. Under an amendment to the original order, casual exportations of leather, hides and skins, other than fur skins, not exceeding \$25 in value for any one shipment, may be permitted without a licence.

Applications for permission to export leather, hides and skins should be sent direct to the Wartime Prices and Trade Board.

Rennet.**Sugar.**

No person other than the Sugar Administrator shall import into or export from Canada any sugar except under the authority of a permit issued by the Sugar Administrator. This regulation does not apply to casual exportation not exceeding 25 pounds, nor to maple sugar.

Wool (including wool on the skin), tops, rags, waste and yarn.

Licences for the export of these articles shall not be issued unless approved by the Wartime Prices and Trade Board on a recommendation of the Wool Administrator.

NEUTRAL COUNTRIES FOR WHICH EXPORT PERMIT REQUIRED

No goods may be exported from Canada except under permit issued by or on behalf of the Minister of National Revenue, to the following countries, colonies, territories and possessions:—

Azores
Bulgaria
Canary Islands
Cape Verde Islands
Estonia
Finland
France (free zone)
French Colonies
French Protectorates and Territories under French Mandate
Greece
Hungary

Neutral Countries for which Export Permit Required—Concluded

Iceland
 International Zone of Tangier
 Latvia
 Liechtenstein
 Lithuania
 Madeira Islands
 Portugal
 Portuguese possessions in Africa north of the equator.
 Roumania
 Spain
 Spanish possessions in Africa north of the equator.
 Sweden
 Switzerland
 Turkey
 U.S.S.R. (Russia)
 Yugoslavia

Application forms for permission to export goods to the countries, colonies or territories named may be obtained on direct application to the Department of National Revenue, Ottawa. Applicants for permits shall furnish in respect of each proposed shipment, for export information in writing in the manner and form approved by the Minister of National Revenue.

MARKET CONDITIONS FOR TIMBER PRODUCTS IN NEW ZEALAND

W. F. BULL, CANADIAN TRADE COMMISSIONER

Auckland, July 23, 1940.—New Zealand has been an important producer of timber products for many years and has adequate reserves of growing timber to assure supplies in the future. In addition to natural stands of timber, located for the most part in the South Island, there are 680,000 acres of state and private plantations of larches, pines and eucalypts with *pinus insignis* predominating. Some of these plantations are now reaching the stage at which they can be cut over.

The total cut of timber for the fiscal year ended March 31, 1940, amounted to 345,000,000 board feet, only 8,000,000 board feet less than the record cut of 1925-26. Details of last year's cut are not available, but the following figures for 1938 indicate the importance of the various species cut in 1938:—

Species	Board feet
Rimu.. . . .	184,588,000
White pine.. . . .	43,662,000
Matai.. . . .	21,255,000
Kauri.. . . .	11,575,000
Totara.. . . .	12,794,000
Beech.. . . .	8,825,000
Insignis pine.. . . .	36,359,000

Conservation measures limit the use of white pine largely to the manufacture of butter boxes. Exports are controlled, and it is expected that the annual cuts will decrease. The use of *pinus insignis* is growing, and this species will become one of the most important varieties in the near future.

BUILDING CONSTRUCTION

The aggregate value of building represented by permits issued in the larger centres for the calendar year 1939 was £10,324,023 as compared with £9,186,994 in 1938 and £7,319,956 in 1937. The building of private dwellings has largely been replaced by the State Housing Scheme, which calls for the building of 4,000 dwellings this year. Military requirements and industrial buildings have also swelled the figures and increased the demand for timber.

IMPORTS

Owing to the large production of timber products, New Zealand has been a comparatively small importer. Total imports of sawn timber from all countries in 1938 amounted to 29,837,968 superficial feet valued at £428,955. Imports in 1939 amounted to 27,156,927 feet valued at £413,263. Australia was the chief source of supply in 1938 with 16,013,640 feet worth £244,731. Canada supplied 7,478,958 feet worth £59,206, the United States 3,296,797 feet worth £54,688, and Japan 1,986,366 feet worth £41,224. Imports from Australia were made up almost entirely of hardwoods such as ironbark and jarrah. Canada supplied Douglas fir and cedar, the United States redwood, and Japan oak. In addition to sawn timber Canada in the past shipped butter-box timber, laths, shingles, doors, broom handles, tool handles, veneers, and plywood.

IMPORT AND SUPPLY CONTROL REGULATIONS

Under the import control regulations now in force the importation of sawn dressed timbers is prohibited and the importation of rough sawn timbers rigidly controlled. As far as Canada is concerned imports are limited to lengths over 25 feet and a small amount of door and joinery stock. Where local timber can be substituted licences will not be granted for the importation of timber. The importation of veneers and plywoods is still permitted, and licences have recently been issued for tool handles; but all other items of woodenware are on the prohibited list.

As a result of these restrictions imports in 1940 are well below the average for recent years. For the five months ended May 31, 1940, the total importation of sawn timber amounted to 4,889,829 superficial feet valued at £82,681 as against 12,576,908 feet valued at £184,977 for the same period of the previous year. It is estimated that New Zealand will import less than 10,000,000 feet of sawn timber this year.

In order to conserve local stocks of imported timber and to make the best possible use of the limited quantities imported, regulations were gazetted on April 11, 1940, clearly defining and limiting the uses of Douglas fir and redwood in New Zealand. Under these regulations the local sale of Douglas fir for the following purposes is prohibited: (a) the construction of doors or of parts of doors; (b) panelling or interior finishing; (c) house construction (except as stated below).

Douglas fir can be sold when the dealer is satisfied that it is to be used for one of the following purposes: (a) the manufacture of tanks or vats; (b) scaffolding (merchantable grade only); (c) the manufacture of ladders; (d) ships' hatches (merchantable grade only); (e) window sashes (kiln-dried timber only). Only under very special circumstances will licences be issued covering the use of Douglas fir for any other than the foregoing purposes.

The sale of redwood is prohibited for the following purposes: (a) the construction of doors or of parts of doors; (b) panelling or interior finishing; (c) weatherboarding. This timber can only be used for the following purposes when specially licensed by the Minister of Supply: (a) the manufacture of tanks or vats; (b) window sashes.

These regulations have cut down the consumption of Douglas fir and redwood substantially, as there is only a limited demand for timber in the manufacture of the products listed above, particularly tanks and vats, ladders, and ships' hatches.

MARKET PROSPECTS FOR CANADIAN TIMBER

As a result of the efforts to increase the utilization of New Zealand timbers through import restrictions on woodenware, dressed timber and small sizes of rough sawn timber, and the strict control over the uses of imported timbers, prospects for the sale of Canadian timber products in this country are not encouraging. For some time to come New Zealand will afford only a small market for Canadian timber.

SUMMARY OF THE TRADE OF CANADA: MONTH, SEVEN MONTHS, AND TWELVE MONTHS ENDING JULY, 1940

(EXCLUDING GOLD)

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of July, 1940			Seven Months ending July, 1940			Twelve Months ending July, 1940		
	Total Imports	From United Kingdom	From United States	Total Imports	From United Kingdom	From United States	Total Imports	From United Kingdom	From United States
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Imports for Consumption</i>									
Agricultural and Vegetable Products.....	13,479,780	581,221	4,538,635	89,748,363	5,082,990	33,069,784	150,975,978	10,558,274	53,725,145
Animals and Animal Products.....	1,869,422	456,050	4,878,257	24,025,468	2,394,390	14,418,135	39,871,553	4,271,136	23,101,129
Fibres, Textiles and Textile Products.....	11,227,000	4,786,915	4,401,562	36,622,728	35,622,878	42,934,087	74,746,580	52,333,679	66,022,877
Wood, Wood Products and Paper.....	3,210,130	726,263	2,881,896	12,354,096	1,604,308	19,701,481	38,115,588	2,839,317	33,371,296
Iron and Its Products.....	23,940,356	2,375,347	2,716,439	125,903,567	12,940,242	138,308,586	246,875,398	21,414,217	220,152,761
Non-Ferrous Metals and their Products.....	7,070,807	3,048,247	3,348,733	35,266,862	6,062,199	23,218,107	56,382,482	7,952,244	38,393,072
Non-Metallic Minerals and their Products.....	15,947,375	3,156,810	12,637,885	86,344,417	9,782,565	68,691,728	134,870,008	13,284,745	124,941,714
Chemicals and Allied Products.....	4,508,320	2,773,628	3,580,465	29,223,775	4,548,887	22,337,527	71,826,840	7,836,580	39,570,019
Miscellaneous Commodities.....	7,250,114	2,084,316	4,887,014	48,442,745	13,413,834	32,983,312	52,358,311	17,220,598	53,016,154
Total Imports, 1940.....	89,406,233	16,580,866	57,706,880	585,597,018	89,855,293	335,673,647	957,593,183	137,691,100	652,294,167
1939.....	57,980,050	10,966,825	35,209,043	379,059,369	66,171,602	240,277,946	663,995,959	116,206,869	415,574,756
1938.....	55,822,520	9,746,678	34,061,476	392,514,704	69,257,163	249,433,757	748,599,460	132,524,742	460,199,690
<i>Exports (Canadian Produce)</i>									
Agricultural and Vegetable Products.....	15,744,733	9,167,180	5,093,374	124,245,680	84,185,500	30,739,114	261,214,152	127,754,694	93,045,732
Animals and Animal Products.....	12,842,273	8,483,637	3,478,098	58,663,908	56,826,910	24,775,379	149,015,586	92,277,538	43,406,549
Fibres, Textiles and Textile Products.....	2,050,475	671,111	3,434,068	12,275,562	3,821,964	1,635,122	18,462,738	5,000,578	2,804,415
Wood, Wood Products and Paper.....	35,293,057	8,694,500	22,832,232	184,360,711	37,327,171	116,043,087	301,280,883	57,347,403	198,149,080
Iron and Its Products.....	12,514,921	3,667,580	6,800,917	60,349,664	29,830,491	31,201,673	64,685,657	35,353,554	5,464,676
Non-Ferrous Metals and their Products.....	13,844,751	6,850,602	6,280,045	114,061,244	58,620,138	34,530,325	191,426,378	90,716,640	60,453,108
Non-Metallic Minerals and their Products.....	3,237,650	773,010	1,780,609	18,414,465	3,320,660	10,149,814	34,500,642	5,422,849	19,268,705
Chemicals and Allied Products.....	1,757,180	943,363	765,950	18,260,079	5,173,698	7,086,997	28,499,017	7,185,207	10,733,283
Miscellaneous Commodities.....	3,488,300	2,356,354	746,270	18,300,001	10,501,141	4,792,005	25,474,588	12,242,216	8,549,299
Totals, 1940.....	100,782,062	41,636,008	41,701,473	648,921,294	283,607,673	233,553,516	1,094,559,641	433,540,759	441,874,847
1939.....	73,753,394	31,865,165	26,897,061	479,287,757	184,166,156	172,070,716	863,641,033	303,130,126	308,570,224
1938.....	66,181,090	25,795,576	20,938,885	453,280,641	183,961,681	138,747,715	894,036,370	376,345,002	288,234,263
<i>Exports (Foreign Produce)</i>									
Totals, 1940.....	681,111	104,193	501,104	6,232,908	354,538	5,437,780	11,428,509	647,177	9,958,061
1939.....	888,030	68,955	727,391	5,820,008	494,554	4,841,270	10,436,648	994,830	8,510,756
1938.....	1,088,047	267,855	729,509	6,483,576	1,231,414	4,627,251	12,298,341	1,792,373	9,378,640
<i>Excess of Imports (i) or all Exports (e)</i>									
Totals, 1940.....	(e) 11,968,940	(e) 25,151,235	(i) 115,594,303	(e) 109,577,184	(e) 200,106,918	(i) 156,682,351	(i) 148,394,967	(e) 296,406,836	(i) 200,461,259
1939.....	(e) 18,661,374	(e) 20,467,295	(i) 7,585,101	(e) 106,046,306	(e) 118,485,960	(i) 63,365,960	(e) 210,081,722	(i) 221,918,087	(i) 103,493,776
1938.....	(e) 11,440,068	(e) 16,316,753	(i) 363,082	(e) 87,199,453	(e) 118,705,966	(i) 105,844,825	(i) 157,735,251	(e) 245,612,633	(i) 102,586,787

BUILDING INDUSTRY IN THE NORTH OF ENGLAND IN 1939

A. E. BRYAN, CANADIAN TRADE COMMISSIONER

Liverpool, August 1, 1940.—The early months of 1939 continued to show the definite decline in civil building work noted in 1938. This was due almost entirely to lack of confidence among investors, due to the international situation. The decline was arrested in part by the rearmament program. Official figures of plans passed by 146 local authorities (excluding government and London County Council works) for the first seven months of the year (after which no statistics were issued) as compared with the corresponding period in 1938 were as follows:

	1939 Jan.-July	1938 Jan.-July
Dwelling houses..	£30,426,000	£38,162,100
Factories and workshops..	5,677,800	3,480,500
Shops, offices, warehouses and other business premises..	5,693,100	6,052,500
Churches, schools and public buildings..	5,397,800	6,284,800
Other buildings and additions and alterations..	6,921,300	6,994,500
	£54,116,000	£60,974,400

An indication of the amount of government building work, as judged by its effect on employment, is shown by the following comparative figures of unemployment in the industry during the period August-October of 1939 and 1938:—

	1939 Number	1938 Number
August..	108,827	134,874
September	93,950	148,409
October	129,948	168,011

The heavy increase in unemployment (35,998) between September and October, 1939, is, however, indicative of a decline which is more than seasonal and must be attributed to cessation of private and civil building.

During the past twelve months a scheme of "wet-time" insurance has been agreed upon by which operatives become entitled to approximately half wages for time lost through inclement weather, while in the Liverpool area holidays are granted with pay. Moreover the position of sub-contractors and suppliers to builders who had gone bankrupt holding moneys due to them has been under discussion with a view to finding a remedy, while changes in building society law to the benefit of the house purchaser have been effected.

STRUCTURAL A.R.P.

From the beginning of the year until August normal civil building had been augmented by structural work in connection with air-raid precautions. With the outbreak of war, however, only the latter and government defence work were left to support the industry, since civil building ceased except for works near to completion.

Since constructional work for the services—camps, aerodromes, temporary hospitals, etc.—has been largely in the hands of the large contractors, the A.R.P. work—consisting of trenches, strutting and other simple precautions for the strengthening of basements in houses, factories and commercial buildings and private shelters—has kept the small builders occupied. The latter have also benefited from new constructional work for A.R.P. services, which includes wardens' posts, report centres, decontamination depots, etc. There are indications that this type of work may continue for some months yet, but, on account of its being urgent, the volume must shortly be reduced.

The problem of finding fresh outlets for the building trades is therefore constantly in the mind of their leaders. Private and local authorities' building work is being retarded for reasons which include a governmental ban on certain activities (notably slum clearance schemes and schools), the restrictive use of certain essential materials such as timber and steel and non-ferrous metals, and the lack of a scheme of insurance for fixed private property against war risks.

WAR-RISK INSURANCE

Of equal importance is the necessity of creating confidence among investors by introducing a scheme of compensation for damage to fixed private property by enemy action. The government has already accepted some measure of responsibility in regard to compensation for houses and "essential buildings", but this in effect only tends to delay the acceptances of ultimate responsibility by the owner to repay money advanced for rehabilitation.

Lord Weir's Committee, appointed by the Government to investigate, reported that it could see no way of devising a scheme of mutual insurance in view of the value of the property involved (estimated as high as £12,000 millions) and the uncertainty of the extent of possible damage.

The building industry contends that confidence could largely be restored were the Government to accept in principal responsibility for making restitution to the fullest possible extent for property damaged in air raids. This would enable reconstruction to be begun at once, an advantage not only to the building trade but to the country, since derelict buildings and idle builders mean loss to the country in rates and in income tax. Any proposed scheme should, it has been suggested, provide for compulsory contribution by property owners throughout the whole country.

BUILDING SOCIETIES

The lack of an insurance scheme has placed the building societies in difficulty in regard to their investors. As a result building society business is almost at a standstill, since most societies are not disposed to grant fresh mortgages except where borrowers are over military age and can provide collateral security. This seems likely to affect the upward trend of profits which, for all societies, were estimated in 1930, 1934 and 1938 at £14,766,000, £18,756,000 and £21,518,000 respectively.

During the year the four-millionth house built since 1919 was completed, a record for which the building society movement must be given a considerable share of the credit.

PRICES

The tendency has been for wages and prices to rise. An advance in the cost of living has brought an increase of $\frac{1}{4}$ d. per hour in all building wages as from December 1, and the situation will be reviewed again in January, 1940, and thereafter at four-monthly intervals. The cost of building materials has been affected by insurance of stocks and rises in the cost of raw materials, coal, transport, and wages. So far these increases have been kept within bounds, and certain materials have been placed under control. The general trend is toward increased costs of building materials.

FUTURE PROSPECTS

Forecasts as to conditions in the building industry are now especially difficult due to uncertainty concerning a number of factors not yet determinable, including the degree of vulnerability of this country to air attack, the extent to which manpower will be withdrawn from industry for the fighting services, the availability of materials and the government's attitude towards the continuance of civil building.

There is reason to believe that as and when the machinery of war material production is in full operation, the government will give more attention to fostering the building industry, which normally provides work valued at over £200,000,000 annually and which contributes greatly towards assisting employment on the one hand and to the national exchequer on the other. There are considerable opportunities for new work, and none is more urgent than the finding of a permanent solution to the problem of providing accommodation for evacuated persons by an extension of the scheme of establishing camps.

TRADE OF INDIA IN 1939-40

K. F. NOBLE, ACTING CANADIAN TRADE COMMISSIONER

(The current value of the rupee is about 33 cents Canadian.)

Bombay, June 8, 1940.—Preliminary figures for the Indian statistical year ending March 31, 1940, reflect the same trends for imports and exports which were showing during the Great War years. There has been a substantial upturn in the value of exports, particularly of semi-raw materials for further processing while imports have increased but only to a small extent.

Three factors have tended to obscure the real position and have in fact created an artificially favourable view of the Indian statistical position during the year under review. Depreciation of the rupee, which is tied to the pound, has given an inflated value to totals, which include returns for the first seven war months, while import values compiled from the Indian Customs returns have been increased by reason both of mounting freight and insurance charges. Consideration being given the largely increased jute shipments to the United Kingdom, the value of which is unaffected by exchange movements, it is apparent, nevertheless, that the essential credit balance of trade required to maintain the rupee-pound peg has been materially increased.

In short, the year ending March 31, 1940, has been favourable to India, and must be considered as reflecting a much improved situation over that reported for 1938-39.

TOTAL TRADE

The total value of India's foreign trade during the fiscal year ending March 31, 1940, amounted to Rs.3,739,100,000 (Canadian \$1,263,000,000), an increase of 11·6 per cent over the 1938-39 total of Rs.3,215,400,000.

Export values for the fiscal year were substantially higher, amounting to Rs.2,136,400,000, an increase of 25·7 per cent over the total for the previous year and constituting the highest value recorded within the past ten years.

Imports valued at Rs.1,652,700,000 were 8·7 per cent higher than during the previous year but were still 5 per cent less than the total for 1937-38.

Reflecting the much improved export position was the higher balance of trade, amounting to Rs.483,684,000, which was better than three times as large as during the previous year and which has been exceeded only once during the past ten years.

Following is a summary table showing total trade, imports, exports and trade balances for the last three fiscal years:

	Total trade	Exports	Imports	Balance of trade
	Rs.1,000	Rs.1,000	Rs.1,000	Rs.1,000
1937-38.	3,629,912	1,892,055	1,737,857	+154,198
1938-39.	3,215,410	1,692,152	1,523,258	+168,894
1939-40.	3,789,100	2,136,400	1,652,700	+583,700

EXPORTS

The higher value of exports resulted from a nominal increase in the value for foodstuffs, substantially higher values throughout the range of raw materials, and even heavier movement of manufactured goods.

The following summary table shows comparative figures for the past three years:

	1937-38	1938-39	1939-40
	Rs.1,000	Rs.1,000	Rs.1,000
Foodstuffs.	416,601	391,392	396,408
Raw materials.	814,546	732,917	860,276
Manufactures.	552,733	476,132	760,522
Miscellaneous.	108,175	91,711	119,194

Following is a short summary showing the changed relative positions of the major exports included in the above totals.

FOODSTUFFS

The major variation in the value of foodstuff exports was a decrease of Rs.265,500,000 in the value of grain, pulse, and flour. Tea showed the largest individual increase, additional exports being valued at Rs.30,037,000. Other foodstuffs generally showed greater export movements which in the aggregate more than offset the decreased exports of grain, pulse and flour.

RAW MATERIALS

India's staple export commodities for further processing abroad have, with two exceptions, shown substantial increases in values. The principal raw materials exported, with the export value of each, were: raw jute, Rs.198,462,000 (Rs.133,967,000 in 1938-39); raw cotton, Rs.310,457,000 (Rs.246,665,000); gums, lacs and resins, Rs.22,239,714 (Rs.15,010,000); raw hides and skins, Rs.41,234,000 (Rs.38,467,000); iron ore and scrap, Rs.22,822,000 (Rs.16,723,000); oils, Rs.13,751,000 (Rs.10,337,000); non-metallic quarry products, Rs.18,792,000 (Rs.12,075,000); coal, Rs.18,939,000 (Rs.13,206,000); raw wool, Rs.32,334,000 (Rs.29,868,000); crude rubber, Rs.9,376,000 (Rs.7,158,000).

The two commodities showing declines in value during the year under review have been subject to export control during the war months. These were oil-nuts valued at Rs.118,974,000 (Rs.150,922,000 during 1938-39) and oil-cakes valued at Rs.20,290,000 (Rs.30,120,000).

MANUFACTURES

Manufactured exports increased in value by Rs.284,400,000 to a total of Rs.760,500,000. This increase, amounting to 60 per cent, resulted largely from the exceptional demand for Hessian cloth required for war purposes. Hessian exports increased in value by Rs.225,006,000 to Rs.487,617,000 and accounted for better than 75 per cent of the total increase in the value of all manufactured goods.

Increases in values were general throughout all classifications of manufactured products, but those listed below showed the most substantial improvements:

	1938-39	1939-40	Increase
	Rs.1,000	Rs.1,000	Rs.1,000
Hessian cloth..	262.611	487.617	225.006
Dressed leathers..	52,758	76,970	24,213
Cotton yarns and manufactures..	71,179	85,758	14,579
Iron and steel manufactures..	30,207	39,937	9,730
Dyestuffs..	7.211	9,163	1,952

EXPORTS BY COUNTRIES OF ORIGIN

During the year under review there were of necessity many changes in the countries of destination for Indian exports, but in general exports were higher to all markets save parts of Continental Europe. Empire countries jointly increased their share of the total purchases from 52·5 per cent of the 1938-39 total of Rs.1,692,152,000 to 63·1 per cent of the 1939-40 total of Rs.2,136,400,000.

Summary values by countries of origin for exports during the past two years are given herewith:

	1938-39 Rs.1,000	1939-40 Rs.1,000
United Kingdom.. . . .	555,113	712,976
United States.. . . .	138,791	244,036
Japan.. . . .	145,902	139,732
Burma.. . . .	100,337	123,118
China.. . . .	24,700	85,034
France.. . . .	61,918	79,670
Ceylon.. . . .	50,911	63,727
South America.. . . .	39,658	57,884
Australia.. . . .	29,730	54,970
Canada.. . . .	21,386	41,022
Union of South Africa.. . . .	14,922	28,397
Belgium.. . . .	44,462	27,656
Straits Settlements.. . . .	20,397	26,234
Germany.. . . .	85,549	19,644

IMPORTS

Wartime dislocation of sources of supply, depreciation in the purchasing power of the rupee, and the post-war dislocation of shipping service contributed to changes in sources of supply as well as in the types of products imported.

The total value of imports was Rs.1,652,700,000, an increase of slightly less than 9 per cent over the value for the previous twelve months when imports were recorded at Rs.1,523,258,000. The British Empire as a whole increased its share of the trade by Rs.43,380,000 to a total of Rs.930,854,000 despite a decrease of 11 per cent in purchases from the United Kingdom. The most striking increase among purchases by Empire countries was in imports from Burma which, due to a greater demand for rice and petroleum products, advanced by approximately 32.5 per cent. Of foreign sources Japan continued to be the principal supplier. The United States followed with imports which showed an increase of 52 per cent.

Following is a summary of imports during the past two years by countries of origin:

	1938-39 Rs.1,000	1939-40 Rs.1,000
United Kingdom.. . . .	464,891	416,020
Burma.. . . .	243,490	318,133
Japan.. . . .	154,133	192,394
United States.. . . .	97,782	149,210
Germany.. . . .	129,272	66,915
Straits Settlements.. . . .	41,305	48,228
Java, N.E.I.. . . .	5,108	33,731
Iran.. . . .	34,884	31,019
Kenya.. . . .	48,916	30,343
China.. . . .	17,346	26,311
Australia.. . . .	24,127	23,908
Belgium.. . . .	29,189	25,455

COMMODITY IMPORTS

The trend towards industrialization and national self-sufficiency which has been increasingly evident during the past ten years, has been given impetus by the elimination of many sources of supply and by increased cost in depreciated rupees. The indirect subsidy towards domestic manufacture, or at least to extension of the domestic processing, has led to the purchase of commodities in progressively more elementary condition. Values of imports by general groups for the past three years were as follows:—

	1937-38 Rs.1,000	1938-39 Rs.1,000	1939-40 Rs.1,000
Food, tobacco and drink.. . . .	218,745	240,037	352,915
Products unmanufactured.. . . .	409,396	331,846	361,121
Manufactures.. . . .	1,080,640	927,529	918,052
Miscellaneous.. . . .	29,076	23,846	20,612

Following are notes on the commodities included under the foregoing general groups:

FOOD, TOBACCO AND DRINK

The value of milled rice imports decreased in value by some 25 per cent to a total of Rs.178,534,664, while sugar imports, which were negligible during the previous year, increased in value by Rs.28,437,000 to a total value of Rs.32,528,000 owing to the combined effect of a poor domestic crop and increased purchasing power. Smaller increases were recorded for spirits, salt, and dates, consumption of which varies directly with the collective purchasing power. Higher imports are indicative of an improved purchasing power rather than of any growing demand for such items.

PRODUCTS UNMANUFACTURED

Kerosene imports valued at Rs.75,124,000 were higher by Rs.10,558,000, while imports of other mineral and vegetable oils increased by 16 per cent to Rs.182,231,000. Cotton imports valued at Rs.80,545,000 were 5 per cent lower.

MANUFACTURES

For the third successive year the total value of manufactured imports was lower, reduction being fairly general throughout the range, but items capable of further domestic processing were in increased demand.

Reductions were heaviest in the case of textile machinery imports, which declined by Rs.10,998,000 to Rs.26,879,000. Difficulties in obtaining delivery of supplies from the United Kingdom were probably a contributing factor. The other items showing important decreases in values included the following: electrical machinery, Rs.13,634,000 to Rs.23,558,000; iron and steel products, Rs.7,980,000 to Rs.16,559,000; cotton piece-goods, undyed, Rs.7,057,000 to Rs.36,643,000; electrical instruments, Rs.4,381,000 to Rs.28,748,000; hardware, Rs.3,041,000 to Rs.22,686,000; glasswares, earthenwares and porcelainwares, Rs.2,686,000 to Rs.13,715,000; silk products, Rs.2,100,000 to Rs.7,860,000; woollen products, Rs.2,037,000 to Rs.3,858,000.

On the other hand, gains were recorded by the following: art silk, yarns and fabrics, Rs.22,862,000 to Rs.42,273,000; chemicals, drugs and medicines, Rs.18,715,000 to Rs.71,297,000; metals, other than iron, Rs.9,812,000 to Rs.20,775,000; dyes and colours, Rs.4,069,000 to Rs.36,756,000.

CANADA'S TRADE WITH INDIA

The preliminary statistics available give no particulars of Canada's trade with India, but certain general figures are available. Total imports from Canada for the year ending March 31, 1940, were valued at Rs.13,660,300 (Canadian \$4,553,425), an increase of 50.1 per cent over the previous year's imports valued at Rs.9,075,586. Exports to Canada were substantially higher, having increased by slightly less than 100 per cent to a value of Rs.41,022,174 (Canadian \$13,674,000) as against Rs.21,386,107 for the previous year.

The Dominion Bureau of Statistics credits Canada with exporting to India during the calendar year 1939 goods to the value of Canadian \$5,165,873. Comprising this total were the following types of goods: agricultural and vegetable products, \$969,000; animal produce, \$83,000; textiles, \$27,000; wood and paper, \$174,000; iron and steel products, \$2,903,000; non-ferrous metals and products, \$616,000; non-metallic minerals and products, \$67,000; chemicals, etc., \$235,000; miscellaneous products, \$92,000.

In the Bureau's figures Canada is credited with the purchase of Indian goods during the calendar year 1939 to the value of Canadian \$9,807,576. The nature and relative importance of the several types of imports are as follows: agricultural and vegetable products, \$5,396,000; animals and animal products, \$45,000; textiles, fibres and products, \$4,077,000; non-ferrous products, \$40,000; non-metallic products, \$20,000; chemicals, \$11,000; miscellaneous items, \$218,000.

TIMBER TRADE OF NORTH AND CENTRAL CHINA

M. T. STEWART, ACTING CANADIAN TRADE COMMISSIONER

(The foreign exchange value of the Chinese dollar has depreciated to such an extent during the past three years that in the following report it is considered advisable to show comparative import statistics by volume only. The approximate exchange value of the Chinese dollar prior to March, 1933, was U.S.\$0.29½ as against a current valuation of U.S.\$0.06½.)

Shanghai, July 22, 1940.—The timber trade of North and Central China has been seriously interfered with by the Sino-Japanese hostilities, and the movement of timber to interior points is still much restricted. The potential market in this area continues to be of great importance, but some stability and a return to peace-time and normal trading conditions is essential to any substantial recovery movement. The unusual congestion of population in the Shanghai area, caused by the hostilities, has resulted in intensified building activities, and during 1939 the local timber trade was fairly active and certainly substantially better than in 1938 and 1937, although still far below normal.

IMPORTS

The total imports of lumber into Shanghai during 1939 amounted to 154,-000,000 feet b.m. as compared with 51,168,000 feet in 1938 and 113,728,000 feet in 1937. The total softwoods imported into Shanghai in 1939 were 101,751,000 feet b.m., of which 49,130,000 feet (48 per cent) came from the Pacific Coast of the United States, 31,570,000 feet (31 per cent) from Canada, 19,156,000 feet (19 per cent) from Japan, and 1,895,000 feet (2 per cent) from other countries. The import items of chief interest to Canadian timber exporters are softwood logs and sawn softwood.

Following are comparative statistics of imports in 1937, 1938 and 1939:

Imports of Softwood Logs into China Proper

	1937	1938	1939
	Superficial feet board measure		
Total imports.. . . .	94,108,920	89,378,352	116,090,776
Canada.. . . .	28,980,400	5,422,112	11,052,832
Formosa.. . . .	124,656	.....	47,488
Japan.. . . .	24,784,496	46,960,968	54,669,712
Korea.. . . .	3,723,144	29,256	192,072
Netherlands India.. . . .	.....	.....	1,051,520
United States.. . . .	27,811,008	33,632,104	48,725,232
Kwantung Leased Territory	2,721,656	2,203,952	350,648
Other countries.. . . .	5,963,560	1,129,960	18,656

Imports of Softwood Logs into Shanghai

	1937	1938	1939
	Superficial feet board measure		
Total imports.. . . .	31,298,832	15,470,912	26,357,536
Canada.. . . .	17,543,848	788,640	5,807,528
United States.. . . .	13,153,328	14,657,680	15,360,248
Japan.. . . .	424,424	24,592	4,152,232

Imports of Sawn Softwood into China Proper

	1937	1938	1939
	Superficial feet board measure		
Total imports.. . . .	74,562,520	70,824,536	135,536,688
Canada.. . . .	28,707,768	11,680,352	26,003,496
Japan.. . . .	4,055,560	20,569,512	46,601,840
Korea.. . . .	35,616	.....	984,952
United States.. . . .	39,692,760	35,961,560	60,400,496
Kwantung Leased Territory.. . . .	87,344	1,043,464	755,992
Other countries.. . . .	1,999,584	1,590,848	350,648

Imports of Sawn Softwood into Shanghai

	1937	1938	1939
	Superficial feet board measure		
Total imports.. . . .	47,613,080	21,384,016	70,470,072
Canada.. . . .	21,536,232	4,326,072	23,115,208
United States.. . . .	26,073,456	15,757,536	31,672,376
Japan.. . . .	15,688	1,031,592	14,910,384

The system of compiling customs returns for North China has been altered, and the only statistics available are for imports into North China as a whole. These include timber shipments into Tientsin, Tsingtao, and Chinwangtao, the latter being the port for the important coal mines operated by the Kailan Mining Administration. Imports of softwood logs into North China for the calendar year 1939 were 89,605,192 feet b.m., Japan being the chief supplier with 51,707,224 feet, followed by the United States with 32,064,576 feet, and Canada with 5,245,304 feet. Imports of sawn softwoods in the same period totalled 65,006,408 feet b.m., of which Japan supplied 31,679,160 feet, the United States 28,698,016 feet, and Canada 2,888,288 feet.

CURRENT MARKET CONDITIONS

The demand for timber during the first half of 1940 has been considerably reduced, and shipments from British Columbia to Shanghai and North China during this period are much smaller than for the corresponding period of 1939. Imports of logs from the Pacific Coast have fallen off, due to the high freight rate. Sawn lumber is being brought to Shanghai at a freight rate of approximately \$25 to \$26 per thousand feet b.m., and since the rate for logs is about 40 per cent higher, the trade in logs has ceased. The situation has provided an opportunity for Japanese exporters, and comparatively large quantities of softwood logs from Japan have been imported. This timber is of small dimensions and of the poorest quality and is not satisfactory as a permanent construction material; its relative cheapness renders it attractive to purchasers.

The great potential market for softwood timber in this area remains, but various limiting factors reduce current sales to comparatively small totals. The depreciation of the Chinese dollar to a point where about \$17 is the equivalent of U.S.\$1 as against the normal par of about \$3.33 to U.S.\$1 prior to the outbreak of hostilities in 1937, makes the cost of imported timber in local currency very high, and discourages anything but essential building activities. High freight rates, too, as noted above, add greatly to the landed cost, and it is difficult to visualize any important improvements in these adverse conditions in the near future.

Japanese competition is becoming difficult to meet owing to certain privileges which exporters in that country enjoy in this area, and in the first three months of 1940, during which a total of 32,589,000 feet b.m. of timber was imported into Shanghai, Japan supplied 56.2 per cent, the United States 20.2 per cent, Borneo 8.6 per cent, the Philippines 6.7 per cent, Canada 4.5 per cent, and other countries 3.8 per cent. There is little importation of logs and timber at present, and the wholesale and retail market is stagnant.

SUMMARY

In a previous report on the timber market in the territory covered by the Shanghai office, submitted in February, 1939, attention was directed to the increasing dominance of the Japanese in the lumber trade. Meanwhile, they have consolidated their position, and the statistics of imports, to some extent at least, confirm this statement. This tendency, however, is not the immediate concern of Canadian timber exporters, and the forecast that Central and North China must again become an important market for softwood timber from the Pacific Coast of North America still holds good. Timber exporters in British Columbia who are interested in this market are no doubt fully aware of its stagnant condition at the present time, and in view of world conditions it is impossible to make any reliable forecast covering either the immediate future or a long period.

LEATHER AND BOOT AND SHOE TRADE IN PANAMA

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

Panama City, August 7, 1940.—The population of the Republic of Panama, according to a government estimate, amounted to 564,271 at the end of 1938. The last official census was taken in 1930, when the population amounted to 467,459, and at that time the white population numbered 78,813, excluding those in the Canal Zone; the remainder consisted of mestizos, negroes and Indians. The population of the Canal Zone, excluding the army and navy enlisted personnel, numbered 28,978 at the end of 1939. Panama City in 1930 had a population of 82,827 and that of Colon was 33,460, so that these two cities account for about 25 per cent of the total population of the republic. The inhabitants of these cities are in the main directly or indirectly connected with the operation of the canal, and their purchasing power is much greater per capita than in other parts of the republic. These two cities also, particularly Panama City, are the chief distribution centres of the republic.

LEATHER

The production of leather in the Republic of Panama is practically limited to sole leather, and for this reason the industry is protected by a high tariff, the duty being \$0.50 per kilo (2.2 pounds) gross weight. All other types of leather required by the boot and shoe industry must be imported.

Statistics of imports of leather into the Republic of Panama for the years 1936 and 1937 were all included under the one heading "leather," there being no sub-divisions as to various types. Total imports in 1936 amounted to 33,269 kilos and for 1937 to 49,066 kilos.

In 1938 the statistics showed two classifications: "leather" and "patent leather." Leather imports were shown as 33,360 kilos valued at U.S.\$112,553; imports of patent leather amounted to 6,073 kilos, valued at U.S.\$13,819.

For shoe leathers the demand in Panama is for calf sides, in white, brown and black, 8 to 12 square feet and $12\frac{1}{2}$ to 19 square feet. There is some demand for calf, but in general, due to high prices charged, the outlet has not been large. There is also a sale for kid in all colours, both suede and glazed, in sizes $3\frac{1}{4}$ to $6\frac{3}{4}$ square feet.

BOOT AND SHOE INDUSTRY

The boot and shoe industry in the Republic of Panama is gradually expanding. At present there are two well equipped factories in Panama City, and a number of small establishments, probably numbering about 30 in all, manufacture leather footwear.

The Government, with a view to protecting the local industry, have established the following rates of duty on leather shoes or shoes with leather soles for children: sizes 2 to 8, \$2.40 per dozen; sizes $8\frac{1}{2}$ to 11, \$4 per dozen; sizes $11\frac{1}{2}$ to 12, \$5.20 per dozen. The duty on shoes for adults is \$15 per dozen.

In 1938 the imports of men's and women's shoes of leather or other material, but not including canvas rubber-soled shoes amounted to 56,103 pairs valued at U.S.\$85,696. Imports of sports shoes, mainly leather, totalled 1,238 pairs valued at U.S.\$3,142, while infants' shoes were imported to the extent of 5,807 pairs valued at U.S.\$2,452.

The two principal factories specialize in the production of men's and women's shoes to retail at around \$5 per pair, and for this price the quality is generally superior to that of any shoes imported to sell at the same price. The small factories produce more women's and infants' shoes than men's. They have little machinery, the work being done mostly by hand, and foreign styles are copied.

The retail shoe business is largely in the hands of foreigners who for the most part purchase job lots of cheap quality, principally from the United States. Good-quality shoes can be obtained, but in comparison their sale is very limited.

JAPANESE GRAIN CROP ESTIMATE

Mr. C. M. Croft, Commercial Secretary of the Canadian Legation at Tokyo, writes under date August 8, 1940, that the Department of Agriculture and Forestry of Japan recently made a survey of the area under grains in 1940. According to this survey, the area under barley was 844,307 acres; that under naked barley was 1,003,482 acres; and that under wheat was 2,063,106 acres. The area under barley shows a reduction of 22,725 acres or 2.6 per cent as compared with 1939, and that under naked barley was almost the same in the two years, showing a reduction of only 183 acres in 1940. On the other hand the acreage under wheat shows an increase in 1940 of 236,382 acres or 12.9 per cent.

The estimated yield of barley is 34,779,718 bushels, a decrease of 9.7 per cent as compared with the yield of 38,509,792 bushels in 1939. It is expected that the naked barley crop will amount to 30,458,517 bushels as against 33,383,538 bushels in 1939, a decrease of 8.8 per cent. The estimate of the 1940 wheat crop is 60,300,902 bushels as compared with the 1939 crop of 60,084,785 bushels, an increase of 0.4 per cent.

The estimated crops in 1940 show a reduction in yield per acre as compared with the results in 1939. This is due to the fact that Japan has had a limited rainfall in 1940, which naturally has affected the crops.

CONTROL OF WHEAT AND WHEAT FLOUR IN JAPAN

C. M. CROFT, COMMERCIAL SECRETARY

WHEAT

Tokyo, August 8, 1940.—By an Ordinance of July 15, effective from July 20, 1940, sales of wheat grown in Japan were subjected to control. Shipments of wheat grown by farmers or received by landlords as farm rent must be made in accordance with instructions from the agricultural society in the city or country district concerned. Similarly all purchases of wheat are to be under the control of such societies.

Sales associations, agricultural warehousemen, and persons who have received wheat through the agricultural societies mentioned may not sell the wheat other than to persons or firms designated by the Governors of the prefectures unless permission of the Agricultural Society (or the city or country administrative authorities, where no such society exists) has been obtained in accordance with instructions of the Governor of the prefecture concerned.

Furthermore the sales of wheat by persons who may be designated by the Governor of the prefecture are to be limited (1) to persons designated by the Government; (2) to the Rice and Grain Pool; and (3) to those who may be designated by the Minister of Agriculture and Forestry. In this connection regulations have already been issued limiting the sales to some twenty organizations, including the fifteen largest flour-milling companies.

The purpose of the control is, of course, to regulate the distribution of wheat and to ensure an adequate supply to the flour mills.

WHEAT FLOUR

Following the establishment of the control over wheat distribution, a further Ordinance was promulgated on August 8, to become effective on August 20, 1940, with the object of controlling the sale and distribution of wheat flour.

An organization is to be established to be known as the Central Wheat Flour Supply Control. It is generally believed that the fifteen large flour millers will contribute to the organization of this control body, which, as reported in the vernacular press, will have a capital of 20 million yen. Pending the formation of the Central Wheat Flour Supply Control, the central distributor of wheat flour is to be the Japanese National Millers Association.

In addition to the Central Wheat Flour Supply Control there are to be Local Wheat Flour Supply Controls for the various districts. It is not yet known what form these local controls will take, that is whether they will be companies or associations; this, it is reported, is to be left to the discretion of the Governor of the prefecture concerned.

The fifteen largest flour millers, who have been designated by regulation, must sell all of their production to the Central Wheat Flour Supply Control (in the meantime to the Japanese National Millers Association), while the Central Supply Control will sell to the Local Supply Controls. Distribution by the Local Supply Controls will be determined by conditions in the prefecture concerned, that is the large consumers such as bakers and confectioners associations and macaroni manufacturers may be supplied direct or all sales may be through dealers.

Wheat flour produced by small millers (who have not been designated by the regulations) will in principle be sold directly to the Local Wheat Flour Supply Control in the district concerned, but some discretion is given to the Governor of the prefecture on this point.

Authority is given to the Minister of Agriculture and Forestry and to the Governors of the prefectures to control the manufacture of commodities made from wheat flour and, in fact, such articles as may be designated will not be permitted to be manufactured without special authority.

The obvious purpose of the Ordinances to control the distribution of wheat and wheat flour is to ensure a proper relation between demand and supply. Recently steps have been taken to encourage the greater use of foods made from flour and thus relieve the rice situation, as Japan has had to import rice to supplement her own crop. A proper distribution of wheat to the flour millers and of flour to the consumers is necessary to attain this objective.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office at New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to August 3, 1940.

	Total Quota	Reduction in Duty from the 1930 Tariff Act	Used by Canada to August 3, 1940	
			Quantity	Per Cent
Cattle (700 lbs. or more) ..Head	225,000	3 to 1½c. per lb.	43,447	19·6
Cattle (less than 200 lbs.) ..Head	100,000	2½ to 1½c. per lb.	86,620	86·6
Whole milk.. . . . .Gals.	3,000,000	6½ to 3¼c. per gal.	4,161	....
Cream.. . . . .Gals.	1,500,000	56-6/10 to 28-3/10c. per gal.	440	....
Filleted fish, fresh or frozen, cod, haddock, hake, pollock, cusk, and rosefish.. . . . .Lbs.	15,000,000	2½ to 1⅞c. per lb.	6,123,699	40·8
Seed potatoes.. . . . .Bus.	1,500,000 beginning Sept. 15, 1939.	75 to 37½c. per 100 lbs. (60c. Dec. 1 to 23.)	1,234,162	82·2
White or Irish potatoes, other than seed potatoes.. . . . .Bus.	1,000,000 beginning Sept. 15, 1939.	75 to 60c. per 100 lbs. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30.	594,751	59·4
Silver or black fox furs.. .Units	100,000 beginning Dec. 1, 1939.	50% to 35% ad val.	58,300	Quota filled Mar. 5, 1940

During the third quarter of 1940 Canada has shipped 6,061 head of cattle weighing 700 pounds or more, other than dairy cows, to the United States, or 11·7 per cent of the quarterly allotment of 51,720 head. The quota allotment of 8,280 head from countries other than Canada for the third quarter of the year has been filled, and receipts over and above this number have been subject to the full tariff rate.

TARIFF CHANGES AND TRADE REGULATIONS

Australia

TRADE AGREEMENT WITH GREECE

A most-favoured-nation commercial agreement between the Commonwealth of Australia and the Kingdom of Greece was proclaimed in Australia on June 12 and became effective on June 17, 1940. It is to continue in force for one year and thereafter until terminated by either of the parties giving three months' notice.

TARIFF DECISIONS

Recent Australian customs decisions, as to the tariff classification and rates of duty on articles regarding which question had been raised, include the following:—

Files, viz. block, curved tooth (dreadnaught type), horse-tooth, magneto, patent valve, riffer, spiral rotary, Swiss pattern (precision), and files with forged handles specially constructed for the sharpening of axes, are free of duty under the British preferential tariff and dutiable at 15 per cent ad valorem under the general tariff (by-law under item 219C). The former by-law admitting "files including patent valve" and "hand-saw filers" under tariff item 219C has been cancelled. Files other than those above specified as admissible under item 219C are now dutiable under item 219F at $7\frac{1}{2}$ per cent ad valorem under the British preferential tariff and $22\frac{1}{2}$ per cent ad valorem under the general tariff.

Mechanical driving units incorporated in or forming part of road-making machines classifiable under tariff item 176D1, including apparatus for transmitting power from the mechanical driving units to the driven units, are dutiable at the rates applicable to the machines of which they form a part, viz. 35 per cent ad valorem under the British preferential tariff, 55 per cent ad valorem under the general tariff (Ministerial Direction under Prefatory Note No. 12 of the customs tariff).

Saw blading for the production of blades for handsaws is free of duty under the British preferential tariff and dutiable at 15 per cent ad valorem under the general tariff (by-law under item 415A2).

Cotton blankets, also described as flannelette sheets, with or without coloured headings or ends and having hemmed or whipped edges, are dutiable at 5 per cent ad valorem under the British preferential tariff and 25 per cent ad valorem under the general tariff (item 117A).

Saltcake for use in the treatment of wood-pulp for paper manufacture is free of duty under the British preferential tariff and dutiable at 15 per cent ad valorem under the general tariff (item 415A2).

Watch movements, not including movements of the type ordinarily used in wristlet watches, for use in the manufacture of watches (not being wristlet watches) having cases of Australian manufacture, are free of duty under the British preferential tariff and dutiable at 15 per cent ad valorem under the general tariff (by-law under item 318B3a).

Canadian goods under the above items, having the required content of Canadian and/or Australian material and labour and shipped in accordance with Australian regulations, are entitled to British preferential tariff rates. Goods from all countries outside the British Empire are subject to general tariff rates.

Bolivia

NEW TARIFF IN FORCE

Effective June 1, 1940, a new tariff was introduced in Bolivia. According to the decree bringing the new tariff into force, the rates of the 1927 tariff and amendments made thereunder, with few exceptions, are maintained. The tariff nomenclature has, however, been completely revised with a view to simplifying the classification. The tariff consists of a column of basic duties and a column indicating the surcharge levied on each item. This surcharge, first introduced in 1933 and amended from time to time, varies from 40 per cent to 950 per cent of the basic duty. A few goods are exempt from the surcharge. A copy of the new tariff is on file in the Department of Trade and Commerce, Ottawa.

Netherlands India

STRONG MEDICINES ORDINANCE

With reference to the notice in *Commercial Intelligence Journal* No. 1885, March 16, 1940, page 425, Mr. J. L. Mutter, Canadian Trade Commissioner at Singapore, advises under date July 29 that the Public Health Service of Netherlands India has issued a further list of 30 drugs which may be sold

separately or in compounds only against doctor's prescription and through licensed dispensaries, and a list of 8 products which may be offered for sale only in retail packages bearing a warning label.

Full lists of these products, together with reproductions of the warning labels referred to, are on file with the Department of Trade and Commerce, Ottawa.

Japan

CONTROL OF EXPORTS

Provision is made under the Emergency Import and Export Control Law of Japan that such articles as may be designated may not be exported without the permission of the Minister of Commerce and Industry, exceptions being made in the cases of shipment by parcel post or where the value does not exceed 100 yen. Originally the list under the appropriate schedule (formerly "C" but now "A") to the law prohibited the commercial exportation of seven items (see *Commercial Intelligence Journal* No. 1765: November 27, 1937; No. 1798: July 16, 1938 and No. 1811: October 15, 1938). There have been revisions of the list, the latest being effective as from August 5, 1940, and now commodities included in 178 items of the customs tariff of Japan require permits before exportation on a commercial scale can be effected.

The commodities concerned include rabbit skins; certain animal hairs; human hair; some tanning materials; gutta percha; gums and resins; certain chemicals and drugs; specified dyes and colours; raw cotton, flax, hemp, etc.; wool; waste cotton, twines, woollen rags, etc.; specified minerals, ores, and metals; certain metal manufactures; and a variety of machines, machinery and instruments. The foregoing summary is very general; a detailed list of the commodities concerned may be obtained on application to the Department of Trade and Commerce, Ottawa.

North China

EXCHANGE CONTROL OF IMPORTS

A customs notification, issued on June 27 by the Commissioner of Customs at Tientsin, states that the Finance Board of the North China Political Council instructs that, effective from June 28, import from abroad and/or re-import from Central and South China of merchandise is to be covered by an "Application for Buying Exchange" through exchange banks with confirmation by the Federal Reserve Bank of China, or by an "Application for Indent" approved by the Federal Reserve Bank of China, or by a "Permission for Import and/or Re-import Without Exchange" issued by the Superintendent of Customs. The notification states that without production of such authority, no import of cargo will be allowed. Exemption from this requirement is provided for travellers' baggage and furniture for removal, samples, newspapers and periodicals. In regard to this notification, Mr. M. T. Stewart, Acting Canadian Trade Commissioner, calls attention to an article in the *Peking and Tientsin Times* of June 27 indicating that this procedure as regards foreign exchange is dispensed with in the case of imports of wheat, wheat flour, rice, grain, corn and kaoliang. Mr. Stewart is making further investigation as to the position of these food products, the result of which will be the subject of a later announcement in the *Commercial Intelligence Journal*.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING SEPT. 3, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for the principal exchanges for the week ending Tuesday, September 3, 1940, and for the week ending Monday, August 26, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Aug. 26	Nominal Quotations in Montreal Week ending Sept. 3	Official Bank Rate
Finland	Markka	.0252	\$.0219	\$.0219	4
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0073	.0073	6
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial		.2150	.2150	—
Yugoslavia	Dinar	.0176	.0249	.0249	5
Portugal	Escudo	.0442	.0426	.0427	4-4½
Roumania	Leu	.0060	.....	.....	3½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2644	.2644	3
Switzerland	Franc	.1930	.2526	.2526	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2212	.2203	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.....	.....	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.....	.....	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2520	.2520	—
Brazil	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0557	.0556	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6326	.6326	4
Peru	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.3883	.3928	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0592	.0572	—
Hongkong	Dollar	.....	.2495	.2470	—
India	Rupee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.....	.....	—
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5760	3.5760	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Official buying and selling rates as set by the Canadian Foreign Exchange Control Board for the pound sterling and the United States dollar remained unchanged at \$4.43-\$4.47 and \$1.10-\$1.11 respectively. Free sterling at New York held at \$4.03½ between August 27 and 29, then rose ¼ cent on each of the following two days, to close at \$4.03½ on August 31. Canadian dollars in the free market rose from 87½ cents to 87½ cents during this period. The Argentine peso (free) at Montreal moved down from 25.20 cents on August 27 to 25.09 cents on the 31st. Hongkong and Shanghai dollars netted gains of 0.14 cent and 0.10 cent, to close at 25.05 cents and 5.99 cents, respectively, for the period under review.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.

Halifax, N.S.

Quebec, P.Q.

Montreal, P.Q.

Toronto, Ont.

Chatham, Ont.

Guelph, Ont.

Kitchener, Ont.

Brantford, Ont.

Stratford, Ont.

Woodstock, Ont.

St. Mary's, Ont.

Portage la Prairie, Man.

St. Boniface, Man.

Winnipeg, Man.

Vancouver, B.C.

New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.

Kingston, Ont.

Oshawa, Ont.

Belleville, Ont.

Peterborough, Ont.

London, Ont.

St. Catharines, Ont.

Hamilton, Ont.

Victoria, B.C.

Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.

Montreal, P.Q.

Winnipeg, Man.

Edmonton, Alta.

Vancouver, B.C.

Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Canned Sardines.....	558	Valparaiso, Chile.....	Purchase.
Miscellaneous—			
Rayon Yarns.....	559	Bogota, Colombia.....	Purchase.
Shirting, Pre-shrunk.....	560	Caracas, Venezuela.....	Purchase and Agency.
Gloves, Ladies' and Men's.....	561	Dublin, Ireland.....	Agency.
Dressed Skins.....	562	Dublin, Ireland.....	Agency.
Folding Boxboards.....	563	Belfast, Northern Ireland..	Agency.
Diesel Gas Engines.....	564	Port of Spain, Trinidad...	Purchase and Agency.
Motor-driven Wood-working Machine.....	565	Port of Spain, Trinidad...	Purchase and Agency.
Sheets, Nickel, Silver, and Copper	566	Brunswick, Victoria, Aus- tralia.....	Purchase.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: G. R. HEASMAN, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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No. 1911

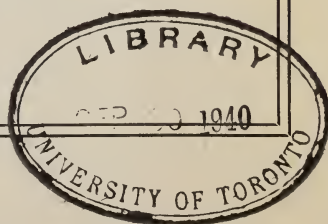


Removing Tiers of Canned Salmon from the Steam Retorts in a
British Columbia Salmon Cannery

ISSUED BY AUTHORITY OF

THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE

J. G. PARMELEE, DEPUTY MINISTER



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Vol. LXIII

Ottawa, September 14, 1940

No. 1911

BOXBOARD MARKET SITUATION IN THE UNITED KINGDOM

E. L. McCOLL, CANADIAN TRADE COMMISSIONER

Bristol, August 22, 1940.—At the present time the United Kingdom is obtaining practically all its overseas supplies of box shooks from Canada; such was not the case before the war. During the years 1937 and 1938 imports were respectively 99,187 and 88,634 standards of softwood boxboards, 99 per cent of which came from Scandinavia and the Baltic. Canada supplied 244 and 268 standards respectively in these years.

These figures do not include dove-tailed and morticed boxboards, which were imported to the value of £20,005 and £16,806 in the same two years; quantities are not given in the official statistics. Imports of boxboards from Canada are not shown separately, but the total values of arrivals from all British countries were £269 in 1937 and £150 in 1938. Baltic countries being shut off as a source of supply of this commodity, Canadian producers are afforded the opportunity of making up the shortage.

CONSUMPTION REDUCED

The greatest care is being exercised in every branch of national activity to avoid waste and to effect reductions in consumption where this can be done without impairing efficiency. In the interest of economy the use of box shooks has been cut by perhaps one-third, so that imports, which annually averaged 93,000 standards for the two years preceding the war, now total only 60,000.

HARDWOOD VENEER WIREBOUND BOXES AND CRATES

While wirebound boxes are not an important item in the total trade, a Canadian firm whose products have met with approval in this country has received substantial orders. The ordinary box of domestic wood is held together by nails and steel tape or wire for binding. Permits for the use of these commodities must be obtained from the different Controls concerned. The Canadian wirebound package is laid down in the United Kingdom completely manufactured and ready for use, thereby saving the British packer the necessity of purchasing nails and wire or steel strapping, as the case may be—commodities which are extremely difficult to obtain owing to wartime conditions.

It has been found that in many instances a heavy softwood box can be replaced by a wirebound crate. This hardwood veneer form of package represents a distinct saving in weight and in the amount of space required. As a result it has been readily accepted in a wide range of sizes carrying from 28 pounds upward of merchandise. The popular sizes in these boxes are those with a capacity of 56 pounds and over for such commodities as insulated wire, hardware, canned goods, soaps, etc. In the domestic trade these packages can be used four or five times.

The merits of Canadian woods for the general type of boxboard are appreciated by packers. The different varieties which originate in British

Columbia and Eastern Canada are suitable for making packages of high quality which are much in favour in the United Kingdom. Canadian box manufacturers have taken great care to avoid the use of woods whose aroma might taint the commodities to be packaged. The careful adherence to other specifications, including dryness and quality, by the Canadian shipper has also merited the confidence of the British purchaser.

DOMESTIC PRODUCTION

Production of some local box makers has been severely curtailed. The number of national whisky boxes required this season is but a fraction of the normal output except in the case of those essential for the export trade, for which there is an active demand. As the landings of herring are somewhat restricted this year as compared with previous seasons, the use of wooden cases by this industry has declined. Box makers in some areas are wholly dependent on domestic supplies, which are obtained from growing timber now being felled. From the point of view of the manufacturer, the home timber, being green, does not compare favourably with the imported product, which is generally held longer in stock and is more seasoned.

STANDARDIZATION

From an economic standpoint, considerable importance attaches to standardizing packages, and this is now engaging the attention of timber authorities. While a bold enlargement of present plans is envisaged, some confusion among the trade must first be cleared up. Not a great deal has yet been accomplished, as there are so few articles which can be standardized. As a beginning an endeavour is being made to limit compound fats and margarine boxes to two sizes, 28 pounds and 56 pounds. This is being done with a view to interchangeability between factories and also to returnability. As an instance, boxes originally packed by a London fat manufacturer may be returned to a fat manufacturer in Bristol. It is hoped to introduce a standard pack for soap but, as there are so many varieties and different sizes of tablets and bars, the problem presents greater difficulties. The British Standards Institution is working on a number of specifications for woods, some of which are rules for grading timbers which may be imported from North America now that it is impossible to obtain supplies from the Baltic.

CANADIAN POST-WAR PROSPECTS

The retention of the British market after the war by Canadian producers will depend on whether or not their products are competitive. Canadian timber from which these boxes are made is imported in large quantities for box manufacture and constructional purposes by the saw-milling and timber distributive trades of the British Isles, as its many good qualities brought it into favour and supplies are known to be abundant. There would, therefore, seem to be no unsurmountable obstacle to the post-war sale of Canadian box-boards in this country. However, prior to the present emergency they have not been imported, and it is apparent that success is in no small measure contingent on freight rates for box shooks being no higher than those for timber. Such charges from Scandinavian ports are stated to have been approximately the same. Costs of manufacture in Canada may, of course, be higher, which is a point to be considered. At any rate some twenty-five Canadian mills are now making box shooks, many of them to the limit of their capacity, for this market. The efficient manner in which they are handling production is evidence of their desire and ability to handle this business. The experience which they will have gained should stand them in good stead when the period of readjustment arrives and foreign competition has again to be met.

SUBSTITUTES FOR TIMBER AS PITPROPS IN SOUTH WALES

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

Bristol, August 16, 1940.—As mentioned in a report entitled "South Wales Market for Mining Timber," published in *Commercial Intelligence Journal* No. 1773 (January 22, 1938), the use of steel pitprops in the South Wales collieries has not been as extensive as in other areas in the United Kingdom. A certain amount of steel has, however, been utilized in main roadways as arches and girders. While this has proved satisfactory both from structural and economic points of view, the collieries, generally speaking, still prefer timber props at the coal-face, as they are said to be safer inasmuch as they give a warning sound before breaking; steel props are liable to buckle or snap without any previous warning.

The possible difficulty of maintaining supplies of wood props from overseas has caused concern in some quarters, and papers read at recent meetings of mining engineers* have dealt, in spite of the obviously difficult supply position, with the substitution to some extent of steel roof supports in coal mines. It should be pointed out, however, that the experiments described relate to collieries in the North of England and only indirectly, if at all, to those in South Wales.

SUPPLY OF TIMBER PROPS

Before referring to the points raised in favour of the substitution of steel for timber for mine supports, it should be mentioned that the Timber Control Department of the Ministry of Supply, who control all imports of wood props, are satisfied that the contracts they have made with shippers in Canada and Newfoundland are sufficient, together with home-grown timber, to provide all the requirements of the industry for the immediate future and that additional supplies of suitable quality will be forthcoming as the need arises. The pitprops which have reached Cardiff from Canada have been very favourably received, and the quality and finish is considered to be as good as that of Baltic timber, which formerly set a high standard. One of the wharfingers handling these props on behalf of the Timber Control stated that if these were samples of what Canada could produce, there was no reason why the Dominion should not retain a fair share of the market in normal times provided the timber could be offered at a competitive price.

Most of the Canadian props reaching South Wales ports are for delivery to collieries outside that area. Pitwood with the bark on continues to be used extensively in this part of the country. Although supplies of this type of wood from France have now been cut off, stocks are ample, and Portuguese and home-grown pitwood is sufficient to meet present requirements. Moreover, the demand for mining timber is slightly lower now, due to restriction of the output of coal, particularly in South Wales, consequent upon the loss of the Italian and French markets.

SAVING TIMBER

The advocates of the use of steel mine supports preface their case with a reference to the need for economy in the use of timber under present conditions. It is realized that in any case large quantities of wood props will still be required, but it is suggested that wherever it is safe and practicable to do so "only those materials be used which are readily obtainable, involve the minimum use of, or interference with, transport by land and sea, obviate the need for purchasing abroad, and, in general, encroach least upon services

* A list of these papers will be supplied on application to the Department of Trade and Commerce, Ottawa.

and supplies that are of direct and immediate importance to the successful prosecution of the war."

In order to obtain the maximum output and to minimize labour, transport, and distribution problems, one engineer has recommended the adoption of a limited range of standard sizes of both steel and wood props. He suggests that in the case of timber props lengths below 4 feet be standardized in 3-inch steps, and over 4 feet in 6-inch steps.

Generally speaking it is possible to prevent losses and wastage of pit-props due to carelessness and inefficient or bad mining practice. It must be borne in mind, however, that the efficiency of a method of working must now be judged in the light of existing conditions as to shortage of certain materials and increased prices and not according to normal pre-war standards. Several pits, for example, have achieved worth-while results in this direction by employing for the time being salvage squads whose job it is to explore all accessible roadways and workings, old and new, with a view to recovering supports carelessly left behind and restoring them to such a condition that they can be returned to stock. The object is to extend to the maximum the useful life of all underground timber supports, and steps must be taken to prevent premature damage and loss of props. Such damage and loss may arise from overloading, or bad usage due to: (a) The method of working employed; (b) defective roof control; (c) use of supports that are not strong enough for the loads to be carried; (d) failure to set sufficient supports, e.g., timbering distances too great; (e) wrong methods of setting, e.g., setting props without a lid; (f) failure to effect timely withdrawal; (g) use of wrong tools in withdrawal, e.g., using an axe to hack props; (h) faulty system or lack of system of withdrawal; (i) friction of moving parts, e.g., setting props too near conveyors on conveyor faces or ropes or tubs on roadways; (j) the rotting action of pit atmospheres or fungal growths. Of these it is said that (a), (b) and (f) are the most important.

QUALITY OF TIMBER USED FOR PROPS

In a paper read recently at a meeting of the Institution of Mining Engineers, a comparison is made between Baltic and home-grown pitprops, and, in view of the present substitution of Canadian for Baltic props on a considerable scale, the points raised are of interest.

The Baltic props used in normal times are said to have an average crushing strength of 3,600 pounds per square inch and weigh about 30 pounds per cubic foot when thoroughly seasoned. In an unseasoned condition the average crushing strength is about 2,400 pounds per square inch and the weight up to 50 pounds per cubic foot or more. Thus the strength of a seasoned prop is 50 per cent more than that of an unseasoned one, and the weight is little more than half. Home-grown Scots pine is usually of more rapid growth, having less than 10 annual rings per inch as compared with 20 to 30 in Baltic timber, and for this reason it is slightly weaker but only to the extent of 5 or 10 per cent. The author stated, however, that for all practical purposes it can be assumed that home timber grown under proper conditions is equal in strength to Baltic, provided it is peeled and seasoned before use. After the trees are felled in the forest the presence of bark has disadvantages, because it prevents or delays the seasoning of the timber and acts as a starting point for fungal decay. As it adds nothing to the strength, it is wasteful to transport unbarked logs to the mines.

With reference to knots, it is pointed out that these have a weakening effect on prop timber, and where they are large or where the cross-section of the timber is irregular the crushing strength may be greatly reduced.

SUBSTITUTES FOR TIMBER

Possible substitutes for timber supports are steel, reinforced concrete, brick, masonry, pit debris, and suitable combinations of these as intermediate packs, chocks, or cogs.

According to a recognized authority, the relative weights and strengths of props of different materials for a seam 4 feet thick are as follows:—

	Weight Lbs.	Crushing strength Tons
Steel, 4 inches by 4 inches rolled steel joist.	54	68.0
Reinforced concrete, 4-inch diameter.	53	23.8
Timber, 4-inch top diameter, seasoned.	12	22.5
Timber, 4-inch top diameter, unpeeled, unseasoned.	23	15.0

STEEL SUPPORTS

Steel is undoubtedly the most satisfactory and handy substitute for timber for the support of roads and faces. As has already been mentioned, it has been used to varying extents in different collieries in the form of arches and girders. But steel can and is also being used for H-section and tubular props, channels and corrugated bars, sheeting for lagging, chock pieces, sprags, and reinforcement for concrete. In view of the heavy demands for steel for war purposes, care must be taken to effect every possible economy in its use. Supports not in actual use cannot be allowed to lie and deteriorate or be lost in different parts of the mine, but must be collected, cleaned, reconditioned if necessary and put into stock or, if unfit for further use, returned to the steel-works as scrap.

ADVANTAGES AND DISADVANTAGES OF WOOD PROPS

In addition to the fact, as mentioned in an earlier paragraph, that timber supports give warning of roof weights, it should be noted that wood props are lighter, easier to handle, may be shortened at the face, and are not as likely to cause injury to workmen, either as a result of the props falling on them or by the men stumbling against them. Timber props, moreover, can be used in a wider range of sizes than steel, which for economic and other reasons is said to be limited to lengths of between about 3 and 6 feet.

Nevertheless, as compared with steel props, there are several disadvantages in the use of wood props. However carefully selected, the latter are not of uniform strength, and the unexpected failure of one prop throws a greater load upon its neighbours. In wet or damp mines timber is considerably weaker than in dry workings. Fire is another factor against which wood is at a disadvantage. Finally, steel props can be made to embody devices rendering them easier to withdraw than wood props.

LIFE OF TIMBER AND STEEL PROPS

It will be readily appreciated how difficult it is to obtain a reasonably satisfactory estimate of the average life of timber or steel pitprops. The experience of every colliery will be different and among other things will depend on the natural conditions to be met, the efficiency of the mining practice, the co-operation or lack of co-operation on the part of the workmen, etc. The only accurate statement that can be made is that where steel props have been found suitable their use has tended to increase, while in collieries where tests have been unsuccessful wood props have remained the chief means of support.

In the papers to which reference has been made, the results of experiences in individual mines are mentioned, and the variation is somewhat extreme. Timber props are estimated by one author to last on an average

from three to four days, and by another for as long as two weeks. Steel is accorded a period of useful life ranging from a few months to two years or more. In nearly all cases these estimates are for props set at the working face; supports for main roadways are more permanent. Actually, of course, individual props, whether of wood or steel, may last a very long or a very short time and, generally speaking, the annual replacement is the only key to the average life of the props used in a mine.

Taking as an arbitrary basis the experience at one colliery of three days as the average life of a wood prop, and a loss of 2 per cent per week on steel it is estimated that an annual consumption of 500,000 tons of timber in the form of 4-foot props could be replaced by 16,000 tons of steel for the initial change-over and the addition of the same amount of steel annually thereafter to make up for wastages. It is difficult to say to what extent these figures represent the true position, but there is no doubt that steel props, though initially more expensive, are longer lasting. Under present conditions, however, the demand for steel for other purposes of national importance is so great that it would appear unlikely that any considerable quantity would be released for use as pitprops so long as ample supplies of home-grown and imported timber props are available.

OUTLOOK FOR CANADIAN PITPROPS

Despite the considerable amount of steel now being used, the quantity of timber required underground is still large, as is shown by the United Kingdom import statistics for pitprops. Total imports in 1938 amounted to 684,717 fathoms valued at £4,678,892 as compared with 1,042,503 fathoms valued at £7,527,313. (One fathom equals 216 cubic feet.)

The principal suppliers were the Baltic countries, France, Portugal, and Newfoundland. The present situation precludes business with any but the latter two sources of supply, and it is for this reason that the Timber Control has turned to Eastern Canada to meet the wartime needs of the mining industry.

As mentioned above, supplies from the Dominion have on the whole proved very satisfactory, and it is hoped that the trade will become firmly established. Whether or not considerable supplies will be offered from Russia, Finland, and Latvia after the war remains to be seen, but it is rather possible that emphasis may be placed on the development of the pulpwood industry, which may raise the price of Baltic props to a level at which supplies from Canada will be able to compete despite higher transportation costs. In any case Canadian shippers should endeavour to maintain a high standard of quality and effect economies in production as experience is gained, in order to take advantage of opportunities which may arise at the end of the war.

PROHIBITION OF THE SALE OF CREAM IN THE UNITED KINGDOM

The Animal Products Trade Commissioner in London advises that the Ministry of Food have announced that the sale of all kinds of cream will be prohibited from October 1 next. The object of this restriction is to conserve liquid milk supplies and to use them for the manufacture of essential dairy products. The restriction would clearly be of no avail unless the milk saved, amounting to approximately 70,000,000 gallons in a normal year, were diverted to other purposes.

The Milk Marketing Board will assist producers who make cream to dispose of their milk through depots or creameries, so that these supplies can be either used for the liquid market or manufactured into essential products. As

an alternative the Ministry will in suitable cases grant licences to producers and retailers to manufacture butter.

It might be added that 70,000,000 gallons of average cow's milk will yield butter fat sufficient to manufacture approximately 30,000,000 pounds of butter and leave for other purposes a tremendous quantity of skim milk. Or, alternatively, 70,000,000 gallons of milk will make upwards of 70,000,000 pounds of cheese, which quantity is not far short of the amount of Cheddar cheese that the Ministry of Food contracted to purchase from the 1940 Canadian make.

Both butter and cheese are essentials, but cream is almost entirely a luxury and as such does not fit into the present economic war effort.

MR. DUCLOS' TOUR OF CANADA

Mr. V. E. Duclos, Canadian Trade Commissioner at Shanghai, China (whose territory includes Central China and North China), is on tour in the Dominion in the interest of Canadian trade with his territory.

Following is his itinerary:—

Saint John and district..	Sept.16	Peterborough	Sept. 25
Halifax.. . . .	Sept. 18 and 19	Oshawa.. . . .	Sept. 26
Quebec City.. . . .	Sept. 21	Toronto and district.. . . .	Sept. 27 to Oct. 10
Prescott and Brockville ..	Sept. 23	Hamilton and Niagara Falls.	Oct. 11 and 12
Kingston and Belleville. .	Sept. 24	Brantford and Paris.. . . .	Oct. 15

Canadian firms who wish to be brought in touch with the Trade Commissioner should communicate, for Toronto, with the Canadian Manufacturers Association, and for the other centres, with the respective Board of Trade or Chamber of Commerce.

MOTOR VEHICLE REGISTRATION IN SOUTH AFRICA

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, July 20, 1940.—According to a report which has just been released by the Office of Census and Statistics, there has been during 1939 a marked decrease in the number of new motor vehicles registered in the Union of South Africa. The total number registered in the course of the twelve months was 42,616, a decline of 6,222 or 12·7 per cent from the previous year's figures for new registrations.

Monthly figures of new motor cars registered in the Union are available from 1928. Owing to the large number of licences issued at certain periods of the year, the Statistical Office has, in order to show the position in graphic form, compiled an index of a twelve months' moving average, with the year 1928 and the figure 1,000 as a base. This has the effect of smoothing out the irregularities between the months and presents a better picture of the general trend. From October, 1929, this index shows a precipitous fall until the beginning of 1931 amounting to 46·6 per cent in fifteen months. From January, 1931, to October, 1932, the lowest point reached, a further fall of just less than 10 per cent as compared with October, 1929, was recorded. There was a slight recovery late in 1932 and another decline early in 1933. The upward turn became pronounced in May, 1933, after which there was a steady rise in the number of new cars until January, 1938. In the following month there was a sudden downward movement which continued and by the end of the year amounted to a drop of 21 per cent in eleven months. During 1939 this decline persisted, with the result that new car registrations were more than 12 per cent below the level of the preceding period.

At time of writing, motor car dealers report business as being exceptionally quiet, which would indicate that the contraction will continue during the current year.

The total number of motor vehicles which were licensed in 1939 was well ahead of the 1938 figure, although, in view of the smaller number of new cars being put into use, the rate of increase was below that for the preceding few years. As regards passenger cars, for instance, the percentage increase over 1938 was only 5·48 as against 7·12 in 1938 and 14·29 in 1937.

The numbers of all types of motor vehicles which have been licensed in South Africa during each of the five years from 1935 to 1939, are as follows:—

	Passenger cars	Trucks and Buses	Tractors	Motor Cycles
1935.. . . .	212,767	28,938	...	31,243
1936.. . . .	246,724	35,107	...	29,657
1937.. . . .	281,981	42,103	651	27,485
1938.. . . .	302,069	48,212	819	25,314
1939.. . . .	318,628	52,012	1,087	23,452

IMPORTS

The imports during each of the same five years of motor cars, chassis, trucks and buses, truck and bus chassis, and motorcycles were as follows:—

	Motor Cars	Motor Car Chassis	Trucks and Buses	Truck and Bus Chassis	Motor Cycles
1935.. . . .	21,525	20,049	954	6,783	2,285
1936.. . . .	28,752	19,536	1,919	7,685	2,589
1937.. . . .	32,096	22,441	2,374	10,200	2,212
1938.. . . .	20,515	14,570	1,747	7,415	1,604
1939.. . . .	19,170	17,164	1,601	7,726	1,375

Motor spirit imports in 1939 totalled 180,557,703 gallons valued at £2,651,380. Imports of lubricating oil amounted to 9,749,952 gallons valued at £738,983.

In 1938, the latest year for which figures are available, the duty collected on motor cars, parts, accessories, and fuel imported into the Union of South Africa amounted to £4,198,824.

SOUTH AFRICAN COMMODITY MARKETS IN 1939

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

III

LEATHER AND RUBBER AND PRODUCTS THEREOF

Cape Town, July 16, 1940.—South Africa has a well established domestic shoe manufacturing industry. There are, nevertheless, appreciable imports of footwear, although a review of statistics during recent years indicates that, as a result of local competition with scarcely an exception the volume and value have been contracting.

BOOTS AND SHOES

Total imports of men's leather shoes during 1939 were 98,238 pairs valued at £67,530. The United Kingdom alone supplied 86,558 pairs (£60,913). The United States came next with 3,017 pairs (£2,998), while Canada was credited with 440 pairs (£306). There were also small imports from Switzerland, Germany, France, and Czecho-Slovakia.

Imports of women's leather shoes are greater than those of men's, the total volume in 1939 being 263,631 pairs valued at £167,990. The United States was in leading position with 93,208 pairs (£70,225), and the United Kingdom followed

with 83,782 pairs (£53,589). The other principal supplying countries, with the quantity and value credited to each, included Czecho-Slovakia, 40,253 pairs (£13,795); Switzerland, 24,780 pairs (£19,278); France, 4,701 pairs (£3,041); Hungary, 9,193 pairs (£4,061); and Canada, 2,363 pairs (£1,657).

Total imports of children's leather shoes came to 114,246 pairs valued at £15,835, with 89,699 pairs (£12,046) coming from the United Kingdom. The only other countries participating to any extent in this trade were the United States, and Czecho-Slovakia. Canada is not listed as a country of supply.

Imports of slippers amounted to 286,542 pairs (£37,937). The United Kingdom was credited with 169,178 pairs (£23,317), and the United States with 85,052 pairs (£10,997). Other suppliers were: Canada, 4,032 pairs (£636); Netherlands, 8,508 pairs (£1,204); and Australia, 3,783 pairs (£352).

Shoes for infants come principally from the United Kingdom. Out of a total of 841,939 pairs valued at £58,221, that country supplied 681,472 pairs (£46,351). Czecho-Slovakia followed with 89,217 pairs (£8,346), and Canada was third with 13,304 pairs (£1,142). Other minor contributors included the United States, Japan, Italy, Germany, and India.

Imports of canvas shoes from all sources amounted to 1,032,859 pairs with a value of £50,569. Czecho-Slovakia was the principal country of origin both in volume and value. Canada was in second place as regards value, although a larger quantity was imported from Japan. The leading countries of origin were as follows: Czecho-Slovakia, 451,070 pairs valued at £13,530; Canada, 69,675 pairs (£11,363); United Kingdom, 79,019 pairs (£10,152); India, 63,605 pairs (£4,124); Hongkong, 18,188 pairs (£641); Germany, 158,649 pairs (£4,627); Japan, 151,992 pairs (£3,547); and United States, 4,149 pairs (£1,008).

Apart from the foregoing, shoe imports are listed under two additional headings in the South African trade statistics. The first of these is shoes of fabric other than canvas. The total volume of imports was 19,990 pairs with a value of £5,406. Czecho-Slovakia was the leading supplier with 10,288 pairs (£2,425). Next came the United States with 2,754 pairs (£889), followed by the United Kingdom with 2,510 pairs (£806). Canada was credited with 1,123 pairs (£263), and there were other imports from Switzerland and Germany.

The final shoe classification embodies all those not specifically mentioned and includes goloshes and rubber boots. The total number was 117,600 pairs valued at £36,066. Canada was well to the front among supplying countries with 60,303 pairs (£22,286). Next came the United Kingdom with 33,282 pairs (£9,536), followed by the United States with 8,132 pairs (£2,089). There were also small imports from Czecho-Slovakia, Germany, and Italy.

LEATHER

Imports of calf leather in 1939 were valued at £225,310. The Netherlands with £102,535 was the principal supplier. Germany contributed to a value of £28,859; Hungary, £45,837; United States, £19,747; and Canada, £624.

Imports of glove kid from the United States were valued at £59,203 out of a total of £165,487. Other shippers included France and the United Kingdom. There were no imports from Canada.

Suede, velour and velvet finished leather came from the Netherlands and to a lesser extent from Belgium and the United States. Imports of enamelled and patent leather weighed 322,900 pounds with a value of £81,025. The United Kingdom supplied 204,603 pounds (£48,921); Canada, 6,008 pounds (£2,452); Australia, 31,317 pounds (£5,913); Belgium, 9,890 pounds (£2,306); Germany, 10,750 pounds (£3,565); United States, 34,778 pounds (£11,869); and Uruguay, 15,819 pounds (£3,105).

Imports of Morocco and imitation Morocco leather were small, the United Kingdom being the principal country of origin. Pigskin also came mainly from the British Isles. Germany supplied about 50 per cent of the total imports of horse-hide leather, amounting to 20,360 pounds valued at £5,408, most of the balance coming from Hungary. Lining leather is purchased principally in the United Kingdom; France and the Netherlands are other participating countries. Imports of non-enumerated sole and upper leather in the piece weighed 75,672 pounds and were valued at £8,770. The bulk of this was from the United Kingdom. Imports of other leather in the piece, apart from the varieties already specifically mentioned, were valued at £134,720. The United States and the United Kingdom were the principal countries of origin.

RUBBER PRODUCTS

Rubber garden hose imports were valued at £48,697, with £26,414 credited to the United Kingdom and £18,324 to the United States. Canada's share was £1,237 and that of British Malaya £1,285. There were also small imports from the Netherlands, Germany, and Hungary.

Rubber heels, soles and tips came from the United Kingdom, the United States, and Canada. The first-named country supplied imports valued at £6,909, the second at £16,660 and the third at £1,440.

Rubber sheets and sheeting were imported to the value of £12,040. The leading countries of origin were the United Kingdom, £5,568; Japan, £2,787; United States, £1,487; Germany, £1,222; and Canada, £436.

Imports of all other non-enumerated rubber products had a value of £216,129, including £89,007 from the United Kingdom; £86,887 from the United States, and £8,712 from Canada.

AUTOMOBILE TIRES AND TUBES

Imports of automobile tires and tubes have declined sharply during the past four years with the establishment and growth of a South African industry manufacturing these products. Total imports of car and truck tires in 1936 were valued at £392,985; in 1939 this figure had been reduced to £296,303. The United Kingdom was the principal country of origin with £127,285. The United States and Canada were close together for second and third places with £78,827 and £78,015 respectively. Imports from France were valued at £9,127 and from Germany at £1,318. Imports of tires from Canada have declined sharply, the value in 1936 having been £236,037.

Canada was the leading shipper of car and truck tubes with £11,950 out of a total of £28,616. Other supplying countries included the United States, £8,127; United Kingdom, £7,509; France, £655; and Germany, £228. Motorcycle tires from all countries had a value of only £853, including £563 from the United Kingdom and £257 from Canada. Most of the bicycle tires are purchased in Great Britain, and the same applies to bicycle tubes and solid tires.

WOOD AND WOOD PRODUCTS

South Africa is an important importer of wood and wood products. There is little indigenous forest, and the great bulk of the country's lumber and wood products requirements must be brought in from outside.

HARDWOODS

Hardwoods are not of importance from the point of view of Canadian trade. The Dominion was credited with supplying ash, bass and walnut valued at £220 out of total imports worth £14,702 most of which came from the United States. The United States and Japan are the leading sources of supply for oak, total imports of which were valued at £46,478. South Africa uses a fair quantity of teak, which is purchased in Siam, Burma, and Indo-China.

SOFTWOODS

Imports of pitch pine are contracting. The total quantity entering the country during 1939 was 293,390 cubic feet valued at £203,451 as compared with 1,702,563 cubic feet valued at £249,436 in the preceding twelve months. Concurrently the importation of Douglas fir is increasing. Whereas pitch pine comes exclusively from the United States, Douglas fir is imported almost entirely from Canada. Total imports in 1939 were 5,151,312 cubic feet valued at £327,263; the comparative figures for 1938 were 3,276,893 cubic feet valued at £212,775. As regards the 1939 figures, 4,321,188 cubic feet (£227,887) came from Canada and 830,124 cubic feet (£99,376) from the United States.

Imports of other pine and other coniferous softwoods amounted to 11,071,135 cubic feet valued at £851,187. Finland was the principal exporting country with 4,776,174 cubic feet (£346,618), other important suppliers including Russia, Sweden, and the United States. Canada was credited with 848,076 cubic feet (£51,985). Non-enumerated unmanufactured wood, other than those mentioned in the preceding paragraphs, were imported to the extent of 1,510,800 cubic feet valued at £180,230. The Philippine Islands were the principal source of supply, followed by Southern Rhodesia. Canada was shown as having supplied to a value of £1,075.

Next came imports of planed and partly manufactured wood under the heading "flooring and ceiling lumber, planed, tongued and grooved." Total imports amounted to 3,478,695 cubic feet and had a value of £355,486. Here too Finland was the principal country of origin with 1,628,466 cubic feet (£141,928). The United States supplied 607,765 cubic feet (£80,814); Sweden, 510,694 cubic feet (£49,209); Russia, 239,995 cubic feet (£22,347); Norway, 173,834 cubic feet (£17,377); and Canada, 143,074 cubic feet (£20,682).

MISCELLANEOUS WOOD PRODUCTS

Imports of basketware from all sources were valued at £4,897. Close to 50 per cent of this came from Japan; other exporters included India, Germany, and Belgium. The quantity of pulpboard for building purposes which entered the country was 20,278,599 cubic feet with a value of £119,655. The leading countries of origin, together with the quantity and value contributed by each were as follows: United States, 8,350,543 (£54,790); Sweden, 5,127,113 (£24,476); Canada, 3,432,898 (£22,128); Finland, 2,432,326 (£11,794). Other small quantities of this material are shown as having come from the United Kingdom, Norway, Yugoslavia, and the United States possessions in the Pacific Ocean. Imports of bee-hives and wax foundations were valued at £2,677, with £2,270 credited to the United States, £313 to Canada, and £94 to the United Kingdom.

Imports of wooden boxes and box shooks are shown in the statistics under two different headings. The first of these embodies containers for packing fruit or dairy products, and the total value was £307,475. Finland, with £141,934, was the principal country of origin, followed by Sweden, the United States, and Norway. Canada was credited with £163.

The second classification covering wooden containers is headed boxes and shooks other than those for dairy products and fruit, total imports of which were valued at £143,118. Sweden was in first place among supplying countries with £99,262, Finland followed with £24,437, and Canada was credited with £4,058.

Imports of brushes, other than machine brushes and brooms, were valued at £143,076, with £87,946 credited to the United Kingdom, £15,702 to the United States, £10,919 to Belgium, and £7,887 to Canada. Empty wooden casks and shooks for cask making were imported from the United Kingdom, the United States, and Sweden. The respective values of imports from these

countries were £21,016, £5,646 and £5,571. Total imports from all countries were valued at £44,244, including £276 from Canada.

Poland was the country of origin of bentwood chair imports worth £3,821 out of a total of £6,666. Canada's share was £366, and other exporters included Czecho-Slovakia, Finland, Germany, and Sweden. Other non-enumerated chair imports, with the exception of those made from wicker, numbered 82,423 and were valued at £34,911. The United Kingdom supplied 13,152 (£17,311); Sweden, 30,769 (£3,911); United States, 6,652 (£5,657); and Canada, 2,034 (£537). Imports of other wooden furniture were valued at £64,180, of which amount £38,299 was credited to the United Kingdom and £1,526 to Canada. The United States supplied most of the handles for picks, shovels, tools and agricultural implements. Total imports were valued at £32,432, with £26,192 from that country. The United Kingdom followed with £4,144 and Canada with £1,798.

Imports of wooden doors and door and window frames had a total value of £40,215, £23,767 being credited to the United States, £6,366 to Sweden, £2,692 to Canada, and £2,649 to the United Kingdom. Sweden supplied wood flour and wood wool to the value of £5,822 out of a total of £6,270.

Plywood is imported from approximately 27 different countries, the total imports in 1939 being 280,972 cubic feet valued at £101,329. The United States was the principal country of origin from the point of view of value with 51,336 cubic feet (£18,680). Japan was first as far as volume was concerned with 61,499 cubic feet (£18,432), and the other leading exporters included Poland, Latvia, Finland, the United Kingdom, and Canada. The Dominion supplied 24,078 cubic feet (£9,387).

The use of cedar shingles is increasing in South Africa, the total value of the 1939 imports being £17,528 as compared with £6,913 in 1938. The respective figures for imports from Canada during these years were £15,181 and £5,295. Most of the small balance was from the United States. The bulk of the railway ties imported into this country come from Southern Rhodesia. The United States supplied wooden staves in the rough valued at £14,487 out of a total of £18,268. Canada was credited with £265 and France with £3,253.

South Africa has an embryonic paper and boxboard manufacturing industry using waste material of domestic origin supplemented by imported wood-pulp as raw material. Total imports of the latter in 1939 weighed approximately 6,525 tons and were valued at £50,983. This was a big increase from the previous year when the volume of imports was 1,088 tons (£8,178). About 85 per cent of the total quantity originated in Sweden. Finland was also a shipper, while Norway and the United States were credited with small quantities. Veneer imports totalled £41,644 in value, with £22,756 credited to France and £7,333 to the United States. Canada supplied to a value of £437.

PAPER, PAPER PRODUCTS AND STATIONERY

PAPER BAGS

Imports of printed paper bags were valued at £24,208 and of unprinted paper bags at £10,183. Imports of the former were from the United States and the Netherlands, and of the latter from the United Kingdom and Japan. These types of container are made locally, and there is little opportunity for Canadian manufacturers to do business on a profitable basis.

CARDBOARD CONTAINERS

The same applies to cardboard boxes and similar containers. Such articles, printed, were imported in 1939 to a value of £22,361, the United Kingdom and the United States being the principal countries of origin. Imports of unprinted cardboard boxes and similar containers were valued at £9,078, the United

Kingdom and the United States again being listed as the principal sources of supply. Imports of printed boxes from Canada were valued at only £7 and of unprinted at £36. Imports of waxed jars and paper cups from all sources were valued at £17,559. Canada's share was only £71 as against £8,810 for the United Kingdom and £6,762 for the United States. Other exporting countries were Germany, Czecho-Slovakia, and Australia.

PAPERBOARD

The Union of South Africa offers a good market for paperboard for the manufacture of containers and other similar purposes. The value of imports from all sources in 1939 of cardboard, linenboard and strawboard was £298,636. The United States with £53,695 was the principal supplying country, closely followed by Sweden with £53,691. Imports to a value of £48,457 came from the United Kingdom, £43,282 from Germany, £36,094 from the Netherlands, £20,373 from Finland, and £18,032 from Canada. Leatherboard is also imported, principally from Sweden. That country was credited with £2,441 out of total imports valued at £5,634. Most of the remainder was of German origin.

NEWSPRINT

No newsprint paper is manufactured in South Africa, and Canada is the principal source of supply of the Union's requirements. There was a slight increase in total imports of newsprint in reels when 1939 is compared with the preceding year, imports being 741,443 centals (of 100 pounds) valued at £368,293 as against 728,892 centals valued at £365,236. In 1939 Canada supplied 533,537 centals (£267,905); United Kingdom, 127,735 centals (£65,571); Finland, 34,337 centals (£12,906); Sweden, 19,954 centals (£9,360); Norway, 4,000 centals (£1,886); and Germany, 1,377 centals (£789). Newfoundland also appears as a country of supply for the first time, being credited with 20,503 centals (£9,876). Apart from the foregoing, flat newsprint is also imported into South Africa, the total quantity recorded for 1939 being 26,389 centals valued at £13,258. Here too Canada was the principal country of origin with 9,790 centals (£5,741). Other suppliers included Esthonia, Finland, Norway, and Sweden.

OTHER PAPER AND PAPER PRODUCTS

Imports of printing paper, other than newsprint, weighed 407,379 centals and had a value of £462,372. The United Kingdom headed the list of exporting countries with 121,748 centals (£217,406). Most of the remainder came from European countries which have since been invaded or become belligerents and from which supplies are no longer obtainable. Among those are Norway, which was credited in 1939 with 67,635 centals (£57,863); Sweden, 56,354 centals (£48,652); Germany, 71,199 centals (£55,350); and Finland, 36,785 centals (£26,424). Canada was one of the minor supplying countries with 2,181 centals (£3,499). The quantity of wallpaper imported into South Africa is declining from year to year. In 1939 the total was 859,507 rolls (£22,718). Nearly all of this, or 808,833 rolls (£22,199), came from the United States.

Imports of kraft wrapping paper weighed 324,373 centals valued at £203,036. Sweden supplied 206,260 centals (£128,146); Finland, 48,519 centals (£30,494); Norway, 39,613 centals (£26,752); and Canada, 23,339 centals (£13,626). Apart from kraft wrapping paper other heavy wrapping paper is also classified separately in the South African statistics. This has a weight of no less than 30 pounds per ream of 480 sheets. Total imports weighed 128,286 centals and were valued at £83,239, Sweden supplying close to 50 per cent of the total. Canada followed with 23,198 centals (£13,264), while

the United States was next with 22,602 centals (£12,502). Finland and the United Kingdom were other supplying countries of importance.

Norway supplied most of South Africa's greaseproof paper requirements, that country being credited with 30,358 centals (£27,242) of total imports in 1939 of 53,670 centals (£50,585). Sweden was the only other country of importance supplying this type of paper. There were smaller imports from the United Kingdom, Finland, and Germany. The United Kingdom was the only important supplier of tinfoil and similar metallic papers. Tissue, including foil with adherent tissue paper, came from some 16 different sources. The total volume was 47,773 centals valued at £48,962, including 16,361 centals (£12,843) from Sweden, 11,558 centals (£11,562) from Norway, and 9,351 centals (£9,661) from the United States. Finland, Czecho-Slovakia, and the United Kingdom were also sources of supply. Canada was a secondary contributor with 275 centals (£315). Imports of non-enumerated wrapping paper weighed 82,674 centals and were valued at £100,351. Of the total quantity 50 per cent by volume and more than 50 per cent by value came from the British Isles. Norway and Sweden were the other leading suppliers. Imports of carbon paper were valued at £35,785, of which £31,381 is credited to the United Kingdom, £3,243 to the United States, £601 to Germany, £205 to Palestine, and £182 to Canada. The Dominion supplied a small part of the total imports of transparent cellulose paper—£1,151 of the aggregate value of £34,765. The United Kingdom was the principal country of origin.

Imports of playing cards totalled 332,384 packs with a value of £17,058. The United States contributed 270,807 packs (£13,931), nearly all the remainder coming from the British Isles. Imports of roller composition inks and ink powders weighed 56,077 pounds and were worth £3,621. Nearly all of this came from the United Kingdom, although Canada contributed 3,856 pounds (£248). Canada's position is stronger as regards printing, lithographing and rolling inks. Total imports under this heading from all sources were 1,416,861 pounds valued at £73,858. The United Kingdom had the bulk of the trade with 875,065 pounds (£53,830), while Canada was second with 218,891 pounds (£7,995). Next came the United States with 144,703 pounds (£5,417), followed by Germany with 71,695 pounds (£5,990).

Most of the etchings, picture books and non-enumerated pictures came from the United Kingdom. Canada and the United States are also mentioned as suppliers. The same applies to picture postcards and Christmas, birthday and other cards, as well as account, exercise, delivery and similar books. The value of printed envelope imports was £7,372, nearly all of which were credited to the United Kingdom excepting £65 to Canada. Purchases of non-enumerated labels, address tags and tickets were valued at £13,296, imports valued at £7,631 coming from the United Kingdom and at £3,373 from the United States. Imports of advertising matter were valued at £125,182, the United Kingdom and the United States being the principal countries of origin. Canada's share was £3,265. There were additional imports of what is listed as non-enumerated printed matter, including ruled, embossed and advertising material, the total of this item being £103,914, including £1,552 credited to Canada. The United Kingdom was at the head of the list of suppliers with about 50 per cent of the total value credited to the United States. Imports of unprinted envelopes were valued at £27,567, of which £25,209 represented arrivals from the United Kingdom; £1,004 from the United States, and £392 from Canada. There were also small imports from Germany, the Netherlands, and Norway.

MISCELLANEOUS PRODUCTS

The United States is the principal source of South Africa's clock imports, while Switzerland occupies the same position as regards watches. Imports

of fancy handbags during 1939 were valued at £129,287, with £65,410 credited to the United States; £42,904 to the United Kingdom; £12,452 to France; £3,738 to Germany; £2,672 to Belgium, and £494 to Canada.

Imports of plate and plated ware, including cutlery, came almost entirely from the United Kingdom, the value of imports from all sources being £108,076. Canada was credited with £283 as against Great Britain's £100,479. The United Kingdom, the United States and Germany were, in the order named, the principal sources of South Africa's jewellery imports. The total under this heading was £116,868, of which Canada was credited with £268.

Gramophones and parts are imported principally from the United Kingdom and to a lesser extent from Japan. Gramophone records are in the main of British origin. The total number of pianos and pianolas which came into the country in 1939 was 1,413 valued at £65,181. The United Kingdom was the principal contributor with 723 (£25,919). Germany followed with 495 (£32,351), while the United States was third with 171 (£6,237). Two, with a value of £60, were from Canada. Imports of what are described as "not elsewhere enumerated" organs and harmoniums amounted to 68 valued at £1,810. The United States supplied 43 valued at £1,258 and the United Kingdom 15 valued at £323; the remainder came from Germany and China. Imports of church organs and harmoniums amounted to 40 valued at £10,328. Of these, 20 (£4,687) were German and 14 (£5,333) came from the United States.

Most of South Africa's sporting goods came from the United Kingdom, which supplied goods valued at £199,422 out of a total of £266,324. Other exporters included the United States, Australia, and Germany. Canada's share was £1,047. Imports of toys and indoor games from all countries were valued at £214,569. The United States was first among suppliers with £78,124, the other principal countries of origin being the United Kingdom (£71,222), Japan (£37,038), Canada (£11,740), Germany (£9,928), and France (£3,008).

The United Kingdom, the United States and Germany were, in the order named, the three leading suppliers of scientific instruments and appliances. Cotton wool and similar surgical dressing material came for the greater part from the United Kingdom, although Canada contributed to a value of £522. Surgical and dental instruments and appliances from Canada were valued at £3,222 as against £87,417 from the United Kingdom, £38,220 from the United States, and £28,218 from Germany.

ECONOMIC CONDITIONS IN JAPAN IN 1939

C. M. CROFT, COMMERCIAL SECRETARY

Tokyo, August 14, 1940.—The hostilities in China continued throughout 1939 and were accompanied by rigid control over industry and commerce in Japan and over the entire economy of the nation. Despite the strengthened control of capital, labour, prices, production and distribution, the national income increased considerably during 1939 to the level of about 25,000 million yen, according to investigations made by the Mitsubishi Economic Research Bureau. This expansion is due largely to the development of industries in Japan and to a recovery in foreign trade.

However, increased prices accounted to some extent for the visible expansion in national income. The total value of the production of factories in Japan has been estimated at about 23,000 million yen in 1939, an increase of some 3,000 million yen over the figure for the previous year. Exports from Japan proper during 1939 were valued at 3,576 million yen, while imports had a value of 2,918 million yen. There was thus a balance of exports over imports of 658 million yen. As has been pointed out in a previous report on the foreign trade

of Japan, this excess of exports was due to the favourable trading position with the yen-bloc countries of China, Kwantung Province and Manchuria.

There was a substantial rise in prices brought about largely by the increased requirements of capital and materials for military purposes and the consequent shortage of supply of commodities for other uses. Prices of many commodities have been fixed officially, which has prevented a much sharper advance than has taken place. The rise in commodity prices is not considered by many economists to be unduly heavy as compared with the increase in factory production and trade.

BOND ISSUES

The hostilities in China have necessitated the flotation of bonds to provide the necessary finances. From the beginning of the China incident in July, 1937, to the middle of December, 1939, special bonds to the value of 8,402 million yen had been issued, and additional taxation to the extent of 730 million yen had been levied (including the taxes for the 1939-40 fiscal year). Other national bonds to the value of 2,260 million yen were issued during the same period, making a total national bond issue of 10,662 million yen since July, 1937. It is of interest to observe that about 80 per cent of that amount was taken up by individuals and financial organizations. According to a statement credited to the Finance Ministry, the national bond issue in 1939 up to December 13 was 5,031 million yen, of which 4,235 million yen or 84.1 per cent had been absorbed.

Although large amounts of money had been found for national finance, there appears to have been sufficient funds available for industrial expansion, the Mitsubishi Economic Research Bureau having reported that the total supply of funds to industry through the usual financial channels during the first eleven months of 1939 was 5,413 million yen as against 3,191 million yen in 1938. The increased investments in industrial organizations were undoubtedly for the heavy industries and those allied to the production of military supplies, although no figures are available.

In general the entire economic life of Japan has been reorganized since the outbreak of hostilities in China, and all steps have been taken by the Government and people to cope with the situation arising from those hostilities. Among the measures which have been adopted for control of the economy of Japan are exchange control, trade control, restrictions on consumption, and control of prices.

EXCHANGE CONTROL

The control over foreign exchange, which has been enforced in Japan for some time past, has continued to be rigidly applied. During 1939 there were only minor alterations in the existing exchange regulations, such changes as were made being largely of a domestic nature, such as the restriction on the amount of yen notes which may be brought into Japan (only 200 yen in notes may be carried by passengers) and the reduction of the allowance for travelling from 2,000 yen to 500 yen per annum. Briefly the exchange regulations, so far as they are applicable to commercial transactions, prescribe that it is necessary to obtain permits to remit amounts of more than 100 yen per month in payment for goods. The effect of this is that the import trade has been rigidly controlled by the exchange regulations in addition to other regulations under the Emergency Import and Export Control Law. In practice exchange permits have been issued fairly readily for the purchase of commodities which are regarded as essentials and which are urgently required, but importers have found it virtually impossible to obtain permission to pay for other classes of goods.

One important development in the exchange situation during 1939 was the decision to link the external value of the yen to the United States dollar instead of to the pound sterling. For some time previously the external value of the

yen had been pegged at 1s. 2d. Following the outbreak of the European war, when the value of the pound became depreciated in New York and in view of the possibility of fluctuations in the sterling exchange rate, which would, of course, be accompanied by similar fluctuations in the value of the yen, the Government decided to change the basis of determining the external value of the yen to United States dollars at a rate of $\$23\frac{7}{16}$ per 100 yen.

TRADE CONTROL

Under the Emergency Import and Export Control Law the Government is given wide powers to control both import and export trade. This law became effective in 1937 and is to remain operative until one year after the termination of the China incident. It provided originally that the Government may restrict or prohibit the import and export of any commodities which may be specified, may control the production of articles made from such specified commodities, and issue orders respecting the distribution, utilization and consumption of such commodities. Subsequently, the law was amended to provide for the voluntary or, if necessary, compulsory establishment of committees for the adjustment of supply and demand by merchants and associations of merchants.

The regulations which have been promulgated under this law provide that a limited list of articles may not be exported to the value of more than 100 yen without permission and similarly that the commercial importation of a lengthy list of commodities (mostly luxury or semi-luxury goods which are regarded as unnecessary for ordinary consumption or which can be made in Japan) may not take place without the permission of the Minister of Commerce and Industry. While the Emergency Import and Export Control Law and the regulations made thereunder are direct means of controlling imports and exports, domestic trade has been controlled to a considerable extent as well. Among the various control measures adopted during 1939 under the authority of this legislation are the following: Manufacture and sales of automobile tires and tubes; distribution of yarn; establishment of new and extension of existing small iron and steel works; distribution of sweet potatoes for the production of alcohol; distribution of shark leather; sale of coal; restriction of the production of textiles; promotion, extension and improvement of equipment for the manufacture of cast iron products; distribution of petroleum; restriction of new use of and increase in existing machine tool installations; distribution of cast steel; construction of wooden buildings; use of rabbit skins; use of newsprint in rolls; distribution and sale of waste paper; distribution of calcium carbide; and distribution of charcoal.

PRICE CONTROL

Prices in general in Japan began to rise at the end of 1936, but with the outbreak of hostilities in China and the economy of Japan placed on a wartime basis, the need for some effective check on price increases became evident. The Anti-Profiteering Ordinance of 1917 was revised as an initial step, a measure which at the time appeared to be adequate, as the increase was not at first very marked. Direct but unofficial steps were taken by means of agreements between producers and dealers to check the price advance in cotton yarn and later that in textiles. It was decided that the only way to control prices effectively was by fixing official prices for important commodities, and to this end the Central Price Committee and various local price committees were established. Maximum prices were established for many commodities, and legalized by Ministerial Orders. However the fixed prices showed little co-ordination and there was little consideration given economic policies other than price control. Consequently in February, 1939, the Central Price Committee was reorganized, the Chairman being appointed by the Cabinet, with a membership of 50 instead of 30 as formerly.

After this reorganization a resolution was adopted and published by the Committee defining in detail the objectives and methods of price control. The basic recommendations were of such a far-reaching nature that the Government hesitated to adopt them. At this stage the war in Europe broke out, and the prices of many important raw materials rose sharply. The need for some definite system of price control became more evident than ever, resulting, on September 19, 1940, in the prohibition of any advance in prices, rents, wages, salaries, fees, freight, and insurance premiums. This prohibition was made legal by the Prices and Others Control Ordinance enforced under the National General Mobilization Law. Provision was made for increases in prices, wages, etc., under special circumstances.

At the end of 1939 an agreement was reached between the Central Price Committee and the Government by which the prices of certain commodities were fixed and at the same time greater supplies of some goods were ensured.

PROFITS OF JAPANESE COMPANIES

An investigation made by the Mitsubishi Economic Research Bureau into the financial condition of some 350 of the leading Japanese companies for the six months ended February, 1940, showed that, although government control in all phases of the economic life of Japan has been strengthened, the average profit rate of the companies has advanced to a new high level, which reflects the advance in prices and the effects of the European war on Japanese business.

The aggregate net profit of the 350 firms concerned was 677 million yen, an increase of 54 million yen or 8.6 per cent as compared with the preceding six months. The aggregate paid-up capital increased by 437 million yen or 5.1 per cent, while the rate of net profit for the six months was 15 per cent as against 14.5 per cent for the six months ended August, 1939. Only the manufacturing industry failed to show an increased profit rate, due to substantially increased capital, while all other classes of business showed satisfactory progress, particularly those engaged in exchange and securities transactions. The average dividend rate rose slightly—from 9 per cent to 9.1 per cent. The undivided profits amounted to 38 per cent as compared with 35 per cent in the preceding six months, and was a new high record.

The total paid-up capital of the 350 companies under review was 9,030 million yen, which was 437 million yen greater than in the six months ended August, 1939. As, however, changes were made in the companies under investigation, the actual increase in capital was 396 million. Of this amount 145 million yen represented increases in capitalization by 23 companies, and 257 million yen resulted from the calling up of unpaid capital by some 53 organizations; 3 companies reduced their capital by 5.5 million yen.

The manufacturing industries increased their capital by 341.4 million yen or 8.6 per cent, this being the largest expansion in all of the groups which were studied. Mining showed an increase of 4.5 per cent in capital. In the manufacturing industries the greatest increases in capital were noted in machinery (12.3 per cent) and the metal industries (14.4 per cent).

Increases over the previous six months were seen in reserves, the profit carried forward, and the profit for the six months under review. The total net worth of the companies was 13,064 million yen as against 12,335 million yen, a 5.9 per cent increase. The manufacturing and mining industries increased their net worth to the extent of 9.1 per cent and 6 per cent respectively, these being the greatest increases for all classes of business. The net worths of the machinery and metal industries also showed the greatest increases, namely, 12.9 per cent and 6.2 per cent respectively.

The assets of industrial and commercial companies at the end of February, 1940, totalled 20,777 million yen, an increase of 1,957 million yen or 10.4 per cent over that at the end of August, 1939. Current assets increased by 15.6

per cent, while fixed assets increased by 4.3 per cent. Thus the ratio of fixed to current assets was 44 to 56. Of the current assets the increases were pronounced in security holdings (which advanced 19.2 per cent) and stocks of commodities, where the value expanded 18 per cent, due largely to increased prices.

The total revenue of the 350 companies which were surveyed amounted to 5,716 million yen, an increase of 347 million yen or 6.5 per cent. The total expenditure during the six months also increased by 6.5 per cent, and the ratio of expenditure to revenue remained almost unchanged at 88.2 per cent. The ratio of net profit to total revenue was 11.8 per cent, a slight advance on the figure of 11.6 per cent for the previous six months.

Only two of the 350 companies under investigation showed deficits, totalling 2,815,000 yen, one of the companies being engaged in the production of ceramics and the other in woollen manufacturing. The total net profits were 677 million yen, an increase of 8.7 per cent. The increases were most noteworthy in exchange and security brokers and trading, indicating activity in the securities market and foreign trade. The manufacturing industries increased their net profits by 7.9 per cent, the machinery industry showing an increase of 15.2 per cent and the miscellaneous manufacturing industries one of 10.7 per cent.

The rate of profit advanced in all groups of industry except manufacturing, where increased capital more than offset the increase in total profits. The increase in profit rates was most marked in exchanges and security brokers (where the rate was 15.8 per cent) and in trading (25.2 per cent). Among the manufacturing industries the rate of profit declined in ceramics, chemical industry, machinery, metals, and miscellaneous industries, increases having been confined to the textile and foodstuff industries.

Undivided profits amounted to 259 million yen, an increase of 18.3 per cent over the six months ended August, 1939. This is an indication of the prevailing conservative tendency and of the uncertainty as to future prospects. The percentage of reserves increased in all classes of industry except mining.

INDUSTRIAL PRODUCTION

A survey conducted by the *Oriental Economist* (a leading economic and commercial publication) into the industrial production of Japan for the first eleven months of 1939 showed that the index number was 181 on the basis of 1931 to 1933 as 100; this represented an increase of 4.6 per cent as compared with 1938, when the index number was 173. The greatest activity was in the heavy industries, while the purely peacetime factories continued to be in a slump relatively. The index number for producer's goods, which includes the munition industry, advanced as high as 240 as against 220, an increase of 16.7 per cent. On the other hand, the index number for consumer's goods, including as it does the peacetime industries, was 122, a drop of 2.4 per cent from that for 1938. The index number for consumer's goods has been declining fairly steadily from its recent peak of 141 in July, 1937, or since the beginning of the China incident.

Details of production by specific commodities has not been made available since the middle of 1937, and therefore only general classes of goods can be studied. Under the classification of iron and steel, machinery, and electric light and power, the index number advanced as much as 16 per cent—from 263 in 1938 to 295 in the eleven months under review. The index number for gas was 146 as compared with 132, and that for mining enterprises was 164 as against 160, while the chemical industry showed a slight recession to 226 from 228. Ceramics dropped by 8.5 per cent—from 130 in 1938 to 119 during the period under review.

In the category of consumer's goods the fibre industry showed a drop of 4.8 per cent to 119 from 125 for 1938, while increases were noted in paper (from 143 to 149) and in food production (from 117 to 123).

Although the average production during the first eleven months of 1939 showed expansion as compared with 1938, it declined from August (in which month it reached its peak index number of 190) to the level of 173 in November, which was the lowest for the eleven months. The decrease was common to both producer's and consumer's goods. A number of reasons can be given for the decrease, the most important of which was probably the outbreak of the war in Europe, which affected seriously the sources of supply of a number of commodities which Japan requires. Then there was a shortage of supply of electric power, due to lack of rainfall, and also insufficient supply of skilled labour for some industries where the increased capacity has been expanded at a sharp rate.

AGRICULTURAL INCOME

The Ministry of Agriculture and Forestry reports that the total income from agricultural pursuits in 1939 amounted to 5,614 million yen, an advance of 1,842 million yen, or 48·8 per cent, over the income for 1938. No information is available as to the volume of the crops, but it is generally understood that the increased revenue resulted from a rise in prices, particularly of silk cocoons. Although the 1939 agricultural income was 76 per cent higher than that for 1929, the adjusted figure, after considering the general price level, shows an increase of only 15 per cent. The income from the various agricultural pursuits in 1939 was as follows, with the corresponding values for 1938 shown within parentheses: Rice, 2,874 million yen (2,173 million yen); other cereals, 604 million yen (405 million yen); cocoons, 883 million yen (346 million yen); other farm products, 1,253 million yen (848 million yen); total agricultural income, 5,614 million yen (3,772 million yen).

JAPANESE SERICULTURAL INDUSTRY AND EXPORTS OF RAW SILK FOR 1939

A survey conducted by the Ministry of Agriculture and Forestry into the sericultural industry during 1939 shows that the number of farms devoted to sericulture amounted to 1,655,882, a decrease of 40,424 (2·4 per cent) from the 1938 figure. The quantity of silk-worm egg-cards incubated amounted to 291,845 pounds, which consisted of 129,039 pounds of spring silk-worms and 162,806 pounds of summer and autumn silk-worms, an increase of 10,020 pounds (3·6 per cent) over the 1938 volume. The production of cocoons totalled 750,640,822 pounds valued at 882,688,029 yen, of which 369,951,242 pounds valued at 407,571,659 yen were spring cocoons and the remainder summer and autumn cocoons. The increase as compared with 1938 was 128,497,106 pounds (20·7 per cent) in quantity and 536,653,265 yen (155·1 per cent) in value.

The increase in the yield of cocoons, despite a reduction in the number of farms engaged in sericulture during the year under review, is stated to be due to favourable weather conditions and improvements in methods.

According to a survey conducted by the Central Silk Association, exports of raw silk, including dupion, for 1939 amounted to 386,030 bales valued at 506,845,000 yen, which as compared with 1938 showed a decrease of 91,766 bales (19·2 per cent) in quantity but an increase of 142,548,000 yen (39·1 per cent) in value.

Following is a comparative table showing exports in bales of 100 kin (132 pounds) to principal markets:—

Japanese Exports of Raw Silk (including Dupion)

	1939 Bales	1938 Bales	Decrease Per cent
United States	331,524	393,426	15·7
England	27,303	33,619	18·8
France	13,942	31,358	55·5
Australia	7,287	7,840	7·0
Germany	2,984	3,340	10·6
British India	795	2,371	66·5
Other countries	2,195	5,842	62·4
Total	386,030	477,796	19·2

BANKING AND INVESTMENT

The total deposits in all banks in Japan, exclusive of the Bank of Japan, at the end of December, 1939, amounted to 25,092 million yen as compared with 19,117 million yen on the corresponding date in 1938, an increase of 31 per cent. Of the total deposits, 19,794 million yen or 78·9 per cent were in commercial banks, 3,362 million yen or 13·4 per cent in savings banks, and 1,935 million yen or 7·7 per cent in special banks. Bank loans at the end of December, 1939, amounted to 15,606 million yen as compared with 12,706 million yen for December, 1938, an increase of 23 per cent. Commercial banks participated in these loans to the extent of 74·8 per cent, while special banks had 23·4 per cent and savings banks only 1·8 per cent.

Security holdings by banks at the end of 1939 totalled 12,309 million yen as against 9,439 million yen at the corresponding date in 1938. National bonds were held to the value of 7,573 million yen or 61·5 per cent of the total, while company bonds amounted to 2,590 million yen or 21 per cent.

The note issue of the Bank of Japan at the end of December, 1939, was 3,679 million yen as compared with 2,755 million yen at the end of 1938. The average daily note issue for December, 1939, was 3,104 million yen as against 2,334 million yen for the corresponding period of 1938. The daily average of advances by the Bank of Japan for December, 1939, was 685 million yen, while that for December, 1938, was 460 million yen.

The specie reserve remained unchanged throughout the year and stood at 501 million yen. The ratio of specie reserve to the note issue at the end of December was 13·63 per cent as compared with 18·20 per cent for the end of 1938.

There was a slight rise towards the end of the year in the day-to-day rate for call loans, but otherwise there was no change in interest rates during the year. The average maximum discount rate was 5·36 per cent during the year, while the average maximum day-to-day rate rose to 2·58 per cent in December from the previous rate of 2·56 per cent.

The Temporary Fund Adjustment Law controls any large investments in industry in order to ensure an adequate supply of capital for the important industries or, to quote from the law, ". . . to regulate the use of domestic funds in order to adjust the supply of materials and funds in relation to the China Incident." The investments which were authorized under the law during 1939 totalled 4,215 million yen as compared with 2,823 million yen in 1938. Of the 1939 total, 2,725 million yen, or 64·6 per cent, was for manufacturing industries, 587 million yen or 13 per cent for mining, and 500 million yen or 11·9 per cent for transportation, the balance being much smaller amounts for agriculture and forestry, fisheries, commerce, and miscellaneous.

According to the Industrial Bank of Japan, the total amount of new capital invested in joint-stock companies in 1939 was 6,932 million yen, while reductions amounting to 999 million yen were also reported. New organizations absorbed 3,327 million yen, existing companies accounted for 2,294 million yen, and debenture issues amounted to 1,310 million yen. Of the reduction in capitalization, the dissolution of companies accounted for 922 million yen, and the balance of 77 million yen represented reduction of capital in other organizations.

BUDGET

The budget for the 1940-41 fiscal year, as passed by the Imperial Japanese Diet, amounted to 6,097,331,000 yen for the general account and 4,460,000,000 yen for the temporary war expenditure special account. Thus the total is 10,557·3 million yen, of which some 600 million yen was to be transferred from the general account to the temporary war expenditure special account, leaving

a net total of 9,957·3 million yen; this is an increase of 1,050·8 million yen above the preceding fiscal year.

On the revenue side the increased expenditure will be met by further taxation and by government loans.

GENERAL ACCOUNT

As has been indicated above, the expenditure under the general account is expected to be 6,097 million yen, an increase of 1,214·7 million yen over the budget for the previous fiscal year. Increased expenditures for all departments of the Government (except the Imperial Household Department) has been anticipated. The expenditure by the Finance Department is placed at 1,902·3 million yen, an increase of 283·7 million yen above the 1939-40 budget; this increase is understood to be necessary for the payment of interest on government loans. The estimated expenditure of the army and navy under the general account is 2,304·1 million yen, an increase of 477 million yen. As was to be expected, the expenditure during recent years has shown marked expansion. It has been most pronounced during the past four years, and is due not only to the China incident but also to a substantial increase in production in Japan, which brought with it increased government expenditure.

Of the total anticipated receipts, amounting to 6,097 million yen, taxation is expected to produce 3,164·2 million yen or 51·9 per cent of the total. This is an increase of 916·7 million yen as compared with the 1939 budget. Receipts from stamp tax and profits from state monopolies provide an additional 431·2 million yen. It should be pointed out that there has been a reform of the system of taxation, which has been responsible for an increase of 607·1 million yen in revenue. Of this amount 377·2 million yen will go to the general account, and the balance will be paid to local governments to compensate for certain taxes which had previously been collected locally but which now become part of national revenue. Government loans will provide 1,906·5 million yen or 31·3 per cent of the total revenue as compared with 1,727·7 million yen for the 1939-40 fiscal year, which represented 35·7 per cent of the total revenue.

WAR EXPENDITURE SPECIAL ACCOUNT

The 1940 budget provides for an expenditure of 4,460 million yen under the temporary war expenditure special account. This will increase the total expenditure since the outbreak of hostilities to some 16,455 million yen. To cover the 1940-41 expenditure, loans will be floated to the estimated level of 3,673·8 million yen, while 600 million yen will be received from the general account, 160·5 million yen from certain special accounts and a further 25·5 million yen from miscellaneous sources.

GOVERNMENT LOANS

The budget for 1940-41 proposes to float national bonds to the total of 6,017·4 million yen, this figure including 1,906·5 million yen for the general account, 3,673·8 million yen for the temporary war expenditure special account, and 437 million yen in special accounts. The total amount of national bonds actually issued between the end of March, 1937, and March 31, 1940, was 12,277 million yen, and of this total 2,646 million yen was for the general account, 428·9 million yen for special accounts and 9,202 million yen for the temporary war expenditure special account. In the 1939-40 fiscal year the bonds issued under the war expenditure special account exceeded the budget estimate by over 77 million yen but the deficit was made up by unissued bonds from previous years. Actually there was a balance of some 1,681·7 million yen from previous years carried forward to the 1940-41 fiscal year, and thus the total to be issued stands at 7,621·6 million yen for the new fiscal year.

It is of interest to note that, according to the Mitsubishi Economic Research Bureau, the total of the issues of national bonds at the end of 1939 was 21,520.2 million yen, of which 20,253.5 million yen were internal bonds and only 1,266.6 million yen were external bonds. During the past eight years internal issues rose sharply from 4,525.4 million yen at the end of 1931 to the value quoted above, while external bonds dropped somewhat—from 1,477.3 million yen to 1,266.6 million yen.

TAXATION SYSTEM

Reference has been made previously to the revision which has been made in the taxation system in Japan. The system previously in force dated back some time and, despite the revisions which had been made, was not considered to be adequate for the changed industrial and economic position of Japan. Consequently a thorough reform was undertaken with various objects such as simplification of the system and to rationalize the burden throughout Japan, bearing in mind the need for an increase of revenue and a balance between economic policies and taxation.

Under the revision, as applicable to income tax, both simple and compound taxes will be payable. Simple income tax will be levied on income from real estate, bonds, deposits and shares, enterprises, service, forestry, and retirement allowances. Compound income tax is to be paid on individual incomes of more than 5,000 yen. Without attempting to review the income tax system at any length, it may be said that under the new law incomes from wages or services in excess of 720 yen per annum will be subject to tax of 6 per cent, while incomes from business exceeding 500 yen will be taxable at $7\frac{1}{2}$ per cent or $8\frac{1}{2}$ per cent, depending on the class of business concerned. Income from real estate will pay 10 per cent, while that from forests will be taxed at from 5 to $7\frac{1}{2}$ per cent. Income from dividends and interest will be taxed at from 4 to 10 per cent, varying with the class of investments. Retirement pensions will pay on a graduated scale, namely, 6 per cent when the pension is under 20,000 yen (but above 10,000 yen), up to 40 per cent on pensions of more than 500,000 yen. The compound income tax on incomes of more than 5,000 yen starts at 10 per cent as the basis tax and increases to 65 per cent when the income is over 800,000 yen.

The new Corporation Tax Law simplifies taxation by including in one levy the taxes on income, capital and other items. The corporation tax is to be levied on income during a business year at a rate of 18 per cent and on the capital value of the corporation at a rate of 1.5 per cent. Corporations whose head offices are not located in Japan will pay at the rate of 28 per cent. There are, of course, exemptions from the corporation tax, included among which are corporations which are engaged in the manufacture, mining and extracting of important materials and also specially designated organizations during the first three years of their operations.

TEMPORARY PROFITS TAX

The Temporary Profit Tax Law has been revised, and excess profits are now classed as those above 10 per cent of the paid-up capital. Furthermore, if the profits of an individual exceed the average during the three years, 1932 and 1935, the excess is to be the basis of the business profit to be subject to taxation. It should be added that the term "average profit" is considered to be 7,000 yen or one-third of the profit in a business year, whichever is the greater. Temporary profit taxes are not payable on profits of less than 10,000 yen. The rates of taxation under the Temporary Profit Tax Law vary with the amount of profit and amount to from 25 per cent up to 65 per cent when

the excess profit exceeds 30 per cent of the capital. Provision exists for rates of from 15 per cent to 55 per cent when the capital of a corporation is less than 100,000 yen.

The Inheritance Tax Law has been revised, and the rates have been increased by about 30 per cent, with some greater deductions in succession to family estates.

Certain taxes formerly imposed by local governments have now been absorbed into national taxation, and arrangements have been made to compensate the local or prefectural governments for the abolition or withdrawal of these taxes. This compensation is to take the form of a restoration tax and a distribution tax. The revenue from the restoration tax will be returned to the prefecture while the distribution tax will be given to prefectures, cities, towns and villages. The restoration tax consists of estate tax, house tax, and business tax, while the distribution tax will consist of 17·38 per cent of the combined revenue from income and corporation taxes and also 50 per cent of the revenue from entrance and restaurant taxes which had been collected in the preceding two years. The revenue under the restoration tax will be refunded to the prefectures where taxes such as estate, house and business have been collected in the fiscal year, while the distribution tax revenue will be distributed to the various districts on a basis of 62 per cent for prefectures and 38 per cent to cities, towns and villages.

NATIONAL MOBILIZATION LAW

Reference should be made to the application of the National Mobilization Law. This legislation, which became effective in March, 1938, provided the Government with wide powers to issue regulations for the control of most sections of the economy of the nation, including the mobilization of labour, regulation of labour conditions, control of the use of capital, fixing of prices, determining maximum profits, regulating the supply and demand of raw materials and goods, and acquiring property when necessary in the public interest. This law had not been employed to any great extent prior to 1939, and the only ordinances promulgated under its authority in 1938 applied to the control of employment and the training of certain classes of labour and of factories and workshops. In 1939, however, the National Mobilization Law was used as the authority for a number of regulations, including the registration of qualifications of seamen, veterinary surgeons, and other workers (January); restriction of employment of workers and of working hours, control of wages, and training of technicians (March); rates of dividends (April); requisition of workers for special services (July); development of research (August); inspection of factories, electric power supply and restriction of increases in prices, wages and rents (October); training of seamen, use of polished rice and restriction on production of "sake" and beer (November); expropriation of factories and workshops, control of land and buildings, utilization of important materials (December).

JAPANESE SPRING COCOON CROP

Mr. C. M. Croft, Commercial Secretary, Canadian Legation, Tokyo, Japan, writes under date August 8 that a survey recently conducted by the Japanese Department of Agriculture and Forestry indicates that the crop of spring cocoons for 1940 will amount to 330,368,499 pounds, which consists of 277,753,012 pounds of white and 52,615,487 pounds of yellow cocoons. The estimated crop is 10·7 per cent less than the yield of spring cocoons in 1939.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

IMPORT REGULATIONS AFFECTING GIFTS OF FOOD

With reference to the article in *Commercial Intelligence Journal* No. 1907 (August 17, 1940), page 269, explanatory of the import regulations affecting gifts of food sent to the United Kingdom, cabled advice from Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, is to the effect that the Ministry of Food announces that import licences will be issued to United Kingdom firms who wish to import in bulk bona fide unsolicited gifts of foodstuffs, whether rationed or not, addressed to individuals for transmission to their destination by parcel post on arrival in the United Kingdom. It is explained that licences will be granted in approved cases for a period of three months and will cover gift parcels of foodstuffs in bulk, provided each parcel is addressed prior to arrival to an individual in the United Kingdom and does not exceed 15 pounds in weight. The cablegram adds that no transfer of currency may be made from the United Kingdom in respect of such gifts.

British Guiana

LIST OF PROHIBITED IMPORTS

Mr. G. A. Newman, Acting Canadian Trade Commissioner at Port-of-Spain, writes under date August 21 that the Supplies Control Committee of British Guiana informs him that the following products are prohibited importation: Animals for food; bacon; fresh fish; honey; raw coffee; sugar; dresses, coats, trousers; shirts (except those of knitted or interlock material of a value of not more than 14s. per dozen c.i.f. and shirts of every description of a value of not less than 30s. per dozen f.o.b.); bark for tanning; timber, except from Dutch Guiana and Venezuela; lumber, except 2-inch white pine boards for punt bottoms. It is stated that British Guiana has 80,000 square miles of forest with large quantities of woods suitable for all ordinary purposes and can produce its own needs in building and construction timber.

All imports into British Guiana are subject to import licence. Importers and exporters are warned that shipments which are made in contravention of the regulations are subject to confiscation. As regards import licensing, Canada is accorded the same treatment as the United Kingdom and other Empire countries.

Grenada

DUTY REDUCED ON CANNING MACHINERY

An Ordinance of Grenada (B.W.I.), dated August 3, 1940, reduces the duty on machinery imported for the purpose of canning fruits, vegetables or other foodstuffs produced in the Colony from 10 per cent ad valorem to duty free British preferential tariff and from 15 per cent ad valorem to 5 per cent ad valorem general tariff. Canadian products are accorded the British preferential tariff.

British North Borneo

REVISION OF TOBACCO DUTIES

On July 1, 1940, British North Borneo increased the general tariff on unmanufactured tobacco from 0.80 to 1.65 Straits dollars per pound but reduced the British preferential tariff from 0.70 to 0.55 Straits dollars. (The Straits dollar equals 52½ Canadian cents.) The general tariff on cigars and snuff was

increased from 1.20 to 4.50 Straits dollars per pound, the British preferential rate remaining at 1.20. The general tariff on cigarettes was increased from 1 to 2.25 Straits dollars per pound and British preferential from 0.90 to 1.50. The general tariff on other manufactured tobacco was increased from 1 to 2 and British preferential from 0.90 to 1.20 Straits dollars. The general tariff of 30 per cent ad valorem and British preferential 10 per cent ad valorem applicable to motor vehicles should not be less than 150 and 50 Straits dollars respectively.

Straits Settlements

CONDENSED MILK STANDARDS LOWERED

Straits Settlements Notification No. 2567, dated July 22, 1940, cited as the Defence (Sale of Food and Drugs) Regulations, 1940, prescribes new standards for condensed milk during the continuance in force of the regulations. Both unsweetened and sweetened condensed milk shall contain not less than eight (formerly nine) parts per centum of milk fat and not less than twenty-nine (formerly thirty-one) parts per centum of total milk solids, including milk fat.

Federated Malay States

ADDITIONAL GOODS SUBJECT TO LICENCE

Federated Malay States notifications, effective July 22, 1940, amend the schedule of goods that may be imported only under licence from non-sterling countries, including Canada, by the addition of the following goods: Electric batteries and accumulators; printing ink; and cycle tires (outer covers). (See *Commercial Intelligence Journal* No. 1879 (February 3, 1940), page 195.)

Argentina

EXCHANGE RATE FOR COLLECTION OF CONSULAR FEES

With reference to the notice published in *Commercial Intelligence Journal* No. 1907 (August 17, 1940), page 275, Mr. Saul Aguilar, Consul General of Argentina in Ottawa, advises that the rate of exchange in force as from September 3, 1940, for the purpose of the collection of consular fees will be \$25.796 Canadian per 100 Argentine paper pesos.

BRITISH TRADE COMMISSIONERS IN CANADA

Canadian importers and others desirous of obtaining information regarding the export trade of the United Kingdom and Canadian firms desirous of representing British manufacturers in Canada are invited to communicate with the undermentioned:—

The Senior British Trade Commissioner in Canada and Newfoundland, 56 Sparks St., Ottawa. Telegraphic address: "Sencom."

The British Trade Commissioner (for Quebec, the Maritime Provinces and Newfoundland). 1111 Beaver Hall Hill, Montreal, Que. Telegraphic address: "Britcom."

The British Trade Commissioner (for Ontario), 67 Yonge Street, Toronto, Ont. Telegraphic address: "Toroncom."

The British Trade Commissioner (for Alberta and British Columbia), 850 West Hastings Street, Vancouver, B.C. Telegraphic address: "Vancom."

The British Trade Commissioner (for Manitoba, Saskatchewan and Northwest Ontario), 703 Royal Bank Building, Winnipeg, Man. Telegraphic address: "Wincom."

EXCHANGE CONTROL REGULATIONS IN COLOMBIA

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

Panama City, August 13, 1940.—The Exchange Control Board, in co-operation with the Banco de la Republica, continues to supervise and regulate strictly all foreign exchange transactions as well as import trade in Colombia, and the peso remains fairly firm at approximately 1.75 to the United States dollar.

In December, 1939, Colombia experienced its first real shortage of foreign exchange, which necessitated the suspension of permits until the second week in January, 1940, and since then difficulty in providing foreign exchange has been increasing. In February a decree was published enumerating various articles which would receive priority treatment in the allocation of exchange, the object being to assist the secondary industries and provide exchange for primary necessities required by the country. This, however, did not meet the situation, and accordingly, on April 8, 1940, Decree No. 89 listed all imports under one of four classes or "turnos."

The first class includes what were deemed primary necessities and consisted in part as follows: wheat, payments up to a sum not higher than the average import value for 1938 and 1939 and in accordance with regulations; malt or malted barley; wheat, oats and other cereals, crushed, pearled or hulled; prepared milk for children; condensed, evaporated and powdered milk; chemical fertilizers; tanned leathers; transmission belts; gloves for agricultural workers and labourers; wooden heels; wood-pulp for the manufacture of paper; wooden handles for tools; yarns and threads of all classes; paper and cardboard; wall-board; iron and steel products; agricultural implements; barbed wire; machinery; paints; rubber tires; tubes; aluminium; lead and lead products; insecticides and disinfectants; pharmaceuticals.

Any surplus exchange which is available after satisfying all the requirements for imports listed under Class 1, it was decreed, would then be used by the Exchange Control Board in the release of permits for imports listed under Class 2 and thereafter for Classes 3 and 4.

The complete list of articles, which includes every item enumerated in the Colombian tariff, divided into the four classes is on file at the Department of Trade and Commerce, Ottawa, but following are summary lists:—

COMMODITIES IN CLASS 2

Wheat bread, biscuits, crackers, grape-nuts, black bread for invalids; soda biscuits and prepared cereal for breakfast; tea; table oil; rough lumber; compressed cardboard of straw or wood-pulp, in sheets, both sides covered with a heavy coat of paint on aluminium paper and proper for partitions, ceilings and constructions; barrels, kegs, tubs and tierces, whether knocked down or not, and dowels for same; paper and cardboard prepared for retail sales, without envelopes; pictures, printed, engraved, photos and paintings, with or without frame, without any advertisement; rugs and carpets, and fabrics for their manufacture, made with thread having a cord of twisted paper; paper mats for lining automobile seats; pots and pans and articles for kitchen use, as well as all domestic articles of white and decorated porcelain; powders and other washing materials; compounds for cleaning, cleaning stains, soap, tar, etc., with a base of turpentine or benzine, such as shoe polish, cream and greases, blacking for leather, pastes, pomades and powder for cleaning and polishing metals, prepared wax to polish furniture, etc.

COMMODITIES IN CLASS 3

Wheat, payment for quantities in excess of that allowed in list No. 1; barley; oats; fresh fruit; fruits of all kinds, dried; candies and sweets without chocolate, candied and crystallized fruits; fruits preserved in their own juice, syrup or liquors; meats; fish unprepared but smoked, salted and dried; meats different from those classified in Articles Nos. 46 and 47; fish preserved in sauce, etc.; butter; cheese; syrups, fruit juices, lemonades, kola, gums and similar beverages not medicinal; leather soles and heels; cotton, hemp, jute and other fibres; rubber soles and heels; leather cuts for boots, shoes, slippers and sandals, etc.;

leather shoes, boots, slippers, sandals, etc., with parts in natural pelt; fine leather shoes for women; ordinary lumber furniture, blinds, etc., and parts thereof, folding beds, etc., church seats without looking glass, gilding, sculpture, marquetry or upholstering; blankets; bedspreads, etc.; trunks, valises and grips with wooden mounting, lined with cotton fabric or imitation leather; wearing clothes of cotton, linen, hemp and similar materials; woollen clothes; artificial silk clothes; ready-made clothing, overcoats, etc., of fur or adorned with fur; rugs, carpets and blankets of fur; woollen felt hats, linen, etc., without trimmings; hats of other materials; bed mattresses such as those known as "Beautyrest"; iron and steel chairs and furniture, iron sheets, perforated or not, for the manufacture of beds; theatre seats, with seat and back of imitation leather made of rubber; iron and steel refrigerators and ice boxes, galvanized, tinned, bronzed, varnished, painted, enamelled, whether they require or not electrical current; wooden matches; leaf tobacco and cut tobacco.

COMMODITIES IN CLASS 4

Pearl barley; spirituous liquors (brandys and whiskys); table oilcloths; blankets in pieces already cut, with or without fringes; cement, with the exception of white and coloured cement; perfumed alcohols generally called "water," such as "Florida," "Kananga" and "Genoa"; fancy articles and notions, jewels of ordinary metals, not specified in other parts of this tariff, for uses neither professional nor industrial.

At the time the above regulations came into force it was believed that remittances for articles in Classes 2, 3 and 4 would be available within a reasonable length of time, but the available foreign exchange acquired by the country in the last few months has hardly been sufficient to provide for the imports of Class 1, and it has therefore not been possible to allot exchange to any article in Classes 2, 3 and 4.

On June 21, 1940, the Banco de la Republica, which operates the "stabilization fund," announced that through the medium of the fund they would sell dollars as from July 1 for approved applications up to April 30, 1940, for articles in Classes 2, 3 and 4. When this announcement was made, some Canadian manufacturers were of the opinion that if they paid the rates established, namely, 1.79½ per U.S.\$1, for payment of applications in Class 2, 1.87 for Class 3, and 1.95 for Class 4, that they could obtain the dollar payments due them. In this opinion they were, at that time, mistaken, but subsequently the Exchange Control Board and the Administration Committee of the Stabilization Fund resolved to authorize that imports from Canada could be covered through the stabilization fund as if they were imports originating from the United States, and under the circumstances, Canadian exporters can now, should they so desire, obtain their remittances for articles in Classes 2, 3 and 4 on payment of the rates established.

On August 6, the Exchange Board announced that applications which it was unable to service, either with ordinarily available exchange, or through the stabilization fund, would be stamped "compensation," to indicate that for the time being such applications cannot be provided for other than by foreign exports which may compensate these debit balances or, when there may be an exchange surplus, after taking care of those taking priority.

Considering the general world situation, Colombia has weathered the crisis quite well but, with the uncertain situation as regards coffee, Colombia's principal item of export, it is difficult to see how the exchange condition can greatly improve in the near future. Canadian suppliers of commodities not listed in Class No. 1 will be forced to wait indefinitely for payment unless the firm they sell to has access to outside funds and is prepared to use such funds for the purchase of goods for which under existing regulations it is not possible to make payment from Colombia.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING SEPT. 9, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for the principal exchanges for the week ending Monday, September 9, 1940, and for the week ending Tuesday, September 3, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Sept. 3	Nominal Quotations in Montreal Week ending Sept. 9	Official Bank Rate
Finland	Markka	.0252	\$.0219	\$.0219	4
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0073	.0073	6
Hungary	Pengo	.1749	.3227	.3227	4
	Unofficial		.2150	.2150	—
Yugoslavia	Dinar	.0176	.0249	.0249	5
Portugal	Escudo	.0442	.0427	.0436	4-4½
Roumania	Leu	.0060	.....	.....	3½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2644	.2642	3
Switzerland	Franc	.1930	.2526	.2525	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2203	.2206	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.....	.....	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.....	.....	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2520	.2581	—
Brazil	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0556	.0556	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6326	.6326	4
Peru	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.3928	.3984	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0572	.0581	—
Hongkong	Dollar	.....	.2470	.2532	—
India	Rupee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2602	.2601	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.....	.....	—
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5760	3.5760	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds were unchanged at \$4.43-\$4.47 and \$1.10-\$1.11 respectively during the week ended September 9. At New York sterling free market rates held unchanged at \$4.03½ from the 4th until the 9th, when a ½ cent drop to \$4.03 occurred. This decline mainly reflected London offers to supply free sterling at \$4.03½ following the squeeze which developed in free rates at New York towards the close of the week. Canadian funds at New York advanced from 87½ cents on August 31 to a peak of 87½ cents on September 6 but by the close had dropped to 86½ cents. Among European units still quoted, declines of 1 point each occurred for the Swedish krona and Swiss franc, bringing rates down to 26.42 cents and 25.25 cents respectively at Montreal.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Bunting.....	567	Rio de Janeiro, Brazil.....	Agency.
Textiles for Gloves.....	568	Rio de Janeiro, Brazil.....	Agency.
Velvet Ribbon.....	569	Rio de Janeiro, Brazil.....	Agency.
Gold Braid and Cord.....	570	Rio de Janeiro, Brazil.....	Agency.
Wool Yarns.....	571	Rio de Janeiro, Brazil.....	Agency.
Cotton Textiles for Dresses.....	572	Rio de Janeiro, Brazil.....	Agency.
Upholstery Textiles.....	573	Rio de Janeiro, Brazil.....	Agency.
Dyes.....	574	Caracas, Venezuela.....	Purchase.
Men's Dress Shoes.....	575	Los Angeles, California.....	Purchase and Agency.
Packings.....	576	Santiago, Chile.....	Purchase.
Pine Fittings.....	577	Santiago, Chile.....	Purchase.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Nata, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

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United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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A Section of Canada's Pavilion at the New York World's Fair

ISSUED BY AUTHORITY OF
THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE
J. G. PARMELEE, DEPUTY MINISTER



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OVERSEAS TRADE OF THE UNITED KINGDOM IN JULY

FREDERIC HUDD, CHIEF TRADE COMMISSIONER IN THE UNITED KINGDOM

London, August 22, 1940.—It was inevitable that the external trade of the United Kingdom in the month of July would reflect the complete effect of Italy's entry into the war and the capitulation of France during the month of June, with the consequent removal from the sphere of British trade of another considerable area of Europe. The still greater consumption of materials for armament purposes is another factor contributing to the shrinkage in the volume of exports as compared with the month of June.

The value of exports of United Kingdom goods in the month of July was £31,189,244. This is £5,000,000 less than in June and £9,200,000, or 22·7 per cent, less than in July, 1939. The value of imports in July was £87,007,530 (the lowest this year) being £3,800,000 less than in June but £800,000, or 11·2 per cent, higher than in July, 1939.

For the seven-month period January to July, 1940, United Kingdom exports had a value of £280,628,217 as compared with £276,618,612, for the corresponding period of 1939, an increase of 1·4 per cent. Imports in the period had a value of £698,542,049 as compared with £525,435,700 in the corresponding period of 1939, an increase of 32·9 per cent.

The decreases in the various classes of exports and imports are shown in the following table:—

	Exports		Imports	
	Jan.-July, 1940	Jan.-July, 1939	Jan.-July, 1940	Jan.-July, 1939
Food, drink and tobacco	£ 22,417,003	£ 20,726,781	£273,088,747	£232,129,565
Raw materials and articles mainly un- manufactured	28,255,125	33,686,711	226,668,043	143,406,467
Articles wholly or mainly unmanufactured	224,874,024	215,034,850	195,034,341	145,365,315
Animals, not for food	578,459	357,369	1,323,920	1,840,361
Parcel post	4,503,606	6,812,901	2,426,998	2,693,992
Total	£280,628,217	£276,618,612	£698,542,049	£525,435,700

The adverse balance of trade has risen sharply since the outbreak of the war, standing in July at £54,000,000. This makes a total for the eleven months of the war of £545,800,000, which is £208,000,000 more than for the corresponding period of 1938-39.

It is generally anticipated that the export drive now being fostered by various government and other agencies will begin to compensate increasingly for the factors which have tended to reduce the volume of British exports, particularly as the measures already taken, such as the reduction of civilian consumption, are resulting in the availability of a larger volume of raw materials for manufactures for export. Markets in the Western Hemisphere are regarded as those most likely to provide wider outlets for United Kingdom goods, particularly in view of the fact that exports to North and South America rose in July to much higher levels.

MR. DUCLOS' TOUR OF CANADA

Mr. V. E. Duclos, Canadian Trade Commissioner at Shanghai, China (whose territory includes Central China and North China), is on tour in the Dominion in the interest of Canadian trade with his territory.

Following is his itinerary:—

Prescott and Brockville .. Sept. 23	Brantford and Paris Oct. 15
Kingston and Belleville. . . Sept. 24	Galt and Guelph. Oct. 16
Peterborough Sept. 25	Kitchener. Oct. 17
Oshawa. Sept. 26	Stratford Oct. 18
Toronto and district. . . . Sept. 27 to Oct. 10	Ingersoll Oct. 19
Hamilton and Niagara Falls. Oct. 11 and 12	London Oct. 21

Canadian firms who wish to be brought in touch with the Trade Commissioner should communicate, for Toronto, with the Canadian Manufacturers Association, and for the other centres, with the respective Board of Trade or Chamber of Commerce.

AGRICULTURAL CONDITIONS IN NORTHERN IRELAND

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Belfast, August 22, 1940.—Much of Northern Ireland's surplus of crops, live stock and dairy produce goes normally to augment those of Great Britain. The excellent June weather was followed by a wet July, but August has been good, except for high winds which have flattened some corn in places.

CROPS

Hay, much of which was saved before the wet weather, was not seriously affected by rain, but late upland and meadow hay will not be up to the standard of that saved earlier. Supplies of hay at markets were cheaper in July at averages of 120s. per ton for upland and 111s. for meadow. Small lots of new season's unthreshed hay sold at Belfast at from 75s. to 95s. per ton.

All cereals, especially wheat and oats, are in a satisfactory condition. Autumn and winter wheat is generally heavier and more promising than spring-sown wheat, and in most districts barley is satisfactory. As from August 1 the price to the grower of home-grown millable wheat is fixed at 65s. 3d. per quarter of 504 pounds instead of 31s. 6d. per quarter, and will apply to all sales (except of seed) whether the wheat be harvested in 1940 or earlier. The oat crop is lodging well, although its straw will likely average shorter than usual this season. The fixed maximum price for feed oats in July was 11s. per cwt., but the Minister of Food has increased the maximum price from August 1 of all oats, other than those sold for seed, to 14s. 6d. Growers in Great Britain can sell their oats and barley to licensed buyers only, but in Northern Ireland a grower may sell to anyone not buying for resale. At present the price of seed oats in Northern Ireland is decontrolled but a new Order is expected soon. Maltsters, brewers, distillers, and the manufacturers of foodstuffs may also buy their barley at uncontrolled prices.

Root crops are also of good appearance, with little or no blight showing so far in the potato crop. Pastures are looking well and providing excellent grazing, with few complaints of noxious weeds, and there is considerable cutting of rushes in lands to be ploughed to qualify for the £2 per acre grant offered by the Government for all newly-broken arable land. The flax crop looks good, being mostly longer and cleaner than usual. Pulling commenced at the beginning of this month, and indications are that the quality will be very good. Feeding

stuffs and manures, although expensive, are reported to be in more plentiful supply and well distributed. The Livestock and Meat Control Scheme now operate more smoothly, fat stock being purchased by the Ministry at the controlled prices.

LIVE STOCK

All cattle are reported to be in good condition with the herds well up to average, stores especially having improved following the increased attention given during the year to pasture lands. At the weekly sales held during July, store cattle were in steady demand during the whole month. Quotations for first-quality animals advanced, while commercial and young cattle were firm in price. The following were the weekly ranges of prices per head for first and second grade cattle:—

Week Ended	Large Forward Stores	Younger Stores
July 6	£13 to £20 2s. 6d.	£6 0s. to £12
July 13	£13 to £21 10s.	£5 10s. to £12
July 20	£13 to £20	£6 15s. to £12
July 27	£14 to £22	£7 0s. to £11
August 3	£14 to £24 5s.	£7 15s. to £11

Local dairymen competed with shippers, and trade was brisk. Top-quality animals continue in keen demand, and prices for milch cows reach high levels, while those for springer cows and heifers also show appreciable gains.

SHEEP

The condition and health of the sheep continued good, especially in the case of lambs. With fewer than usual outbreaks of disease, the flocks have thriven rather better than usual. The wool clip, cut earlier than usual this year, compares very favourably with last year's. Offerings of fat sheep and lambs were purchased at controlled prices under the Livestock and Meat Control Scheme. Store animals were in moderate request at fairs at firm rates.

PIGS

Good sows were easy to dispose of at fairs last month, with prices a shade higher. Suckers met a sharp selling trade at advanced quotations, those of the York type being preferred. As from August 19, 1940, the Ministry of Agriculture (for the Ministry of Food) will pay for pigs purchased alive, weighing from 251 to 256 pounds, a deadweight price of 112s. per cwt. instead of a live-weight price of 84s. per cwt. as formerly.

HORSES

There was again little business in horses last month, except for useful farm horses capable of heavy work. Prices were little changed on the month. Working horses of from 3 to 10 years of age made from £20 to £65, and older animals £10 to £40 each. Foals fetched £10 to £20, and unbroken 2-year-olds £15 to £30 each.

POULTRY

Poultry prices at markets in Northern Ireland in July were generally lower than a month earlier. Hens fell in price by 3½d. to 2s. 0¾d. each, and chickens by 5d. to 2s. 10¾d. each. Ducks advanced in price by 1½d. to 2s. 11¾d. each. The prices per pound paid by wholesale merchants for poultry were also lower, and ranged as follows: Chickens, large, 11d. to 1s.; chickens, medium, 8d. to 11d.; hens, 6d. to 7d.; ducklings, 7d. to 10d.

DAIRY PRODUCE

MILK

The milk yield has improved and is now normal for the season. Supplies to creameries were well up to average in July, and prices paid to producers for milk delivered ranged from 4½d. to 6d. per gallon, the separated milk being returned to the farmer. No equalization payments were made in respect of the month of June, 1940.

FARM BUTTER

The price of farmers' print and lump butter at local markets last month was unchanged at 1s. 5½d. and 1s. 5d. per pound respectively.

EGGS

The following table shows the prices fixed by the Ministry and payable by licensed wholesale dealers (subject to additional payments and standard deductions) for eggs purchased from producers during the weeks specified as compared with the prices fixed for the corresponding weeks of 1939.

	1940		1939	
	Hen Eggs Per Lb.	Duck Eggs Per Doz.	Hen Eggs Per Lb.	Duck Eggs Per Doz.
	s. d.	s. d.	d.	d.
July 6	1 3	1 4½	8¾	10
July 13	1 5	1 7	8¾	10
July 20	1 5	1 7	8¾	10½
July 27	1 4	1 10	8	10½
Aug. 3	1 4	1 11	9	11

CONDITIONS IN THE NORTH OF ENGLAND TEXTILE INDUSTRIES, 1939-40

A. E. BRYAN, CANADIAN TRADE COMMISSIONER

WOOLLEN INDUSTRY

Liverpool, August 10, 1940.—One of the notable features of the wool trade in the early part of 1939 was that prices of raw material remained at a low level. In the light of subsequent developments this was of greater significance than it appeared to be at the time. Low prices had the effect of creating confidence among wool importers and wool users, and there was a process of stock replenishment that assumed substantial proportions. The war clouds obscured the industrial and commercial outlook, but from the point of view of wool stocks they made no difference to the policy of importers. It was argued that, if there were no war, trade would improve and all the wool bought would be required, and that if war did break out, the greater the stocks the better it would be for the individual owner and for the nation. Consequently, wool was bought confidently in all markets.

IMPORTS OF RAW WOOL

The extent of this policy is revealed in the official records of imports. The Board of Trade returns have not been published in detail since the outbreak of war, but the figures for the ten months from November 1, 1938, to August 31, 1939, cover the wool importing season and give a clear idea as to the extent to which imports increased.

During the period under review the total imports of wool amounted to 954·7 million pounds, as compared with 763·6 million pounds in the corresponding months of the previous season. Re-exports amounted to 225·1 million pounds, as

compared with 229.2 million pounds. Therefore the quantity retained was 729.6 million pounds, as compared with 534.4 million pounds, making an increase of 195.2 million pounds (the equivalent of about 600,000 bales of Australian size), in the quantity of imported wool available for consumption in the United Kingdom. Some part of the wool is exported, after being converted into tops or yarns, but the figures indicate that there was a very substantial increase in the quantity of wool in the country.

INCREASE IN WOOL TRADE

During the eight months prior to September, the woollen trade showed encouraging signs of expansion both on home and export account. The progressive improvement in machinery activity was reflected in the reduction month by month in the numbers on the unemployed registers of the principal centres of the industry. In January it was 18,472, in March 14,909, in June it was 9,707, and in August (the latest figure available) it was 6,878. Stocks of finished goods in the hands of distributors declined and there was a general policy of replenishment, stimulated partly by a prospect of rising prices. Exports of tops showed a substantial improvement, amounting to 28,123,000 pounds, for the eight months as compared with 19,643,000 pounds in the previous year. The increases were mainly in shipments to Canada, China and Sweden. Exports of worsted yarns increased slightly to 15,855,000 pounds as compared with 14,357,000 pounds in the corresponding 1939 period. Exports of woollen and worsted tissues amounted to 66 million square yards as compared with 63 million square yards. The slight improvement was due to the increased exports to the United States which followed upon the United Kingdom-United States Trade Agreement. The exports of tissues to the United States during the eight months amounted to 7,221,000 square yards as compared with 3,059,000 square yards.

GOVERNMENT REQUIREMENTS

During the three months before the outbreak of war there were substantial orders for military clothing, mainly for the new militia. Big weights of cross-bred tops were ordered in connection with Government requirements, which called mainly for qualities from 46's up to 56's. It was well known that an organization had been set up with a view to bringing the industry under state control in the event of war, and it caused no surprise when immediately after the declaration of war a Ministry of Supply Order was published for the purpose of controlling supplies and prices of wool, tops and noils. The main purpose was to ensure supplies of clothing for the armed forces, and from the outset it was evident that there would be only a small proportion of the available stocks of medium crossbreds available for civilian trade. The abnormal consumption of these grades, together with the fact that stocks are normally at a low point toward the end of the year, caused production for civilian needs to be largely concentrated on merinos.

PURCHASE OF AUSTRALIAN AND NEW ZEALAND CLIPS

Negotiations for the purchase by the British Government of the Australian and New Zealand wool clips were completed and the terms announced mid-way in October. The transaction covered all clips for the duration of the war and for one year afterwards. The purchase price for Australian wool was 10.75d. per pound in sterling, which was equivalent to 13.44d. in Australian currency. The average price in the previous season was 10½d. per pound. The purchase price for the New Zealand clip was 9.8d. per pound in sterling, equivalent to 12.25d. in New Zealand currency. In the previous season the average New

Zealand price was 9½d. In each case the grower received an advance of about threepence per pound and this was generally regarded as satisfactory. There was a proviso that any profits made on re-sale of the wool to other countries should be shared equally by the United Kingdom and the growers. There was no definite purchase in South Africa but an arrangement was made for one season only to the effect that, if the market price at the Cape fell below the relative Australian price, the British Government would step in and support the market. This arrangement had the effect of a guarantee to the Cape grower that he would not receive less than a 30 per cent advance on the previous season's average price.

RATIONING SCHEME

As a preliminary to the introduction of the rationing scheme, stocks of wool, tops and noils in the hands of the trade were requisitioned, with certain exceptions. Stocks in the hands of spinners and manufacturers, which were intended for conversion into yarns or fabrics in the United Kingdom, were exempt, and provision was also made for topmakers and merchants to retain supplies required for the completion of contracts. Rationing came into force on November 1, and topmakers were required to invoice their remaining stocks of wool, tops or noils to the Wool Control by November 30. Merino supplies, which were available for civilian trade, were plentiful, and output, even after rationing came into force, was well maintained. In fact, in November, output was at the highest point since the outbreak of war.

A large part of the output was for government purposes and the demand for civilian goods was considerably in excess of that available for civilian consumption. Certain sections of the industry were of the opinion that the civilian ration was inadequate and concessions were made. An increase in the original allocation of yarns to hosiery manufacturers was announced and facilities were provided for an increase in the supply of raw material for the hand knitting of comforts for the troops. A further announcement affecting the civilian ration was to the effect that it had been found that it would not be necessary to increase the consumption of wool for government purposes during the current rationing period to the extent that had been anticipated, and that some portion of this wool would probably be available for the augmentation of the civilian ration. A promise was given that the position would be reviewed early in January.

ISSUE PRICES FOR TOPS

Immediately after the outbreak of war maximum prices for wool and tops were announced and they were approximately on the basis of August prices. These prices remained in force until October 23 when prices were published at which the Control would take over existing surplus stocks—that is, stocks not required for the completion of contracts—and also new issue prices at which the Wool Control would sell. The taking-over prices for tops were as follows: 64's warp, 29d.; 56's super, 23½d.; 48's average (carded), 20½d.; 48's hogg, 20½d.; 44's prepared, 18¾d. The new issue prices, which it was anticipated (but not guaranteed) would remain in force during the rationing period from November 1 to February 29, were: 64's warp, 31¾d.; 56's super, 25¾d.; 48's average (carded) 22d.; 48's hogg, 22½d.; 44's prepared, 20½d.

There was a free market for yarns, and under the influence of keen competition there was a substantial rise in yarn prices in spite of the fact that the cost of wool and tops was fixed by the Wool Control.

EXPORT TRADE

No licences were required for the export of fully manufactured goods and yarns could be exported without licence to oversea Dominions, the countries of

North and South America, and to France and French possessions. It was necessary to obtain licences for export of yarns to Continental countries, other than France, and these were obtained without much difficulty from the Export Licensing Department of the Board of Trade. It was necessary, however, to obtain a permit from the Wool Control before the goods could be shipped. A promise was made that certain qualities of tops, mainly merinos, would be released for export, but actual shipments were held up owing to delay in fixing the prices at which the Wool Control would sell for the overseas markets. When eventually export prices were fixed they showed a substantial advance on the issue prices for the home trade.

CLOTHING TRADE

At the end of 1939, employment figures showed 58,034 persons employed in the clothing trade in and about Leeds. This was 3,000 more than the number in the previous year, which was itself a record. These figures indicate the steady expansion in the ready-made clothing trade of this part of Yorkshire. In 1928 there were 8,643 men and 26,953 women, or a total of 35,596 persons, engaged in this trade; by 1939 the total number of employees had increased to over 58,000.

The industry has been working at full capacity to meet the urgent call for uniforms, etc., required by the Government and, despite the disorganization attendant upon so swift a transition from peacetime to wartime production and the handicaps of labour shortage and black-out conditions, the output has reached unprecedented figures. It is anticipated that there will be a succession of price increases in ready-made clothing, while the control of wool and other materials will make deliveries of cloth most uncertain and the choice of patterns will be severely restricted.

COTTON INDUSTRY

The Lancashire cotton industry experienced a big change in conditions as a result of the outbreak of war in Europe.

Before the start of hostilities there were some signs of improvement. After war began manufacturers and spinners enjoyed much better business, with the result that unemployment in the industry was reduced from 132,000 in September to 29,000 at the end of December. This development was chiefly due to the armament program and substantial purchases by the Government to meet the requirements of the fighting forces and the civil defence organizations.

The industry as a whole is now busier, and employers are enjoying better profits than for many years. Costs, of course, have risen to an appreciable extent, partly owing to the increased price of raw cotton, the cost of the Government scheme for compulsory war insurance for stocks, and higher wages for the work people.

COTTON PRICES

The price of middling American cotton on the spot in Liverpool at the beginning of 1939 was 5·32d. per pound and there was little change in prices during the first quarter, the figure on March 31 being 4·95d. A little later there was an upward movement and the price on June 9 was 5·91d. There was not much alteration to the end of August, but during the first fortnight of September a rise of about 1½d. per pound took place, bringing the price to 7·28d. Rather sharp fluctuations then occurred with an easier tendency and at the end of October the figure was 6·35d. Later there was another sharp advance, bringing the level of prices higher than for two and a half years, the quotation on December 8 being 8·19d.

During the season 1938-39 the American cotton crop in round figures was 12,000,000 bales and the production of other countries nearly 18,000,000 bales, making a total supply of about 30,000,000 bales. In view of the large carry-over from previous seasons supplies have been abundant, but the holding policy

of the American Government affected exports to Great Britain and stocks in Liverpool became very low. The British Government arranged to take 600,000 bales of American cotton in exchange for rubber and also agreed to purchase about 1,500,000 cantars of Egyptian cotton.

DOMESTIC TRADE

Throughout 1939 export trade in piece-goods was adversely affected by rising prices and some customers in foreign countries were not able to purchase on a free scale. Since the outbreak of war shipping has been very irregular. Much more trade has been done with South America, Java, West Africa, the Continent and the Dominions; on the other hand India, Egypt, and the Near Eastern markets have been disappointing. Of course, the extent of this trade has depended greatly on the position of foreign exchange rates. An outstanding feature since the beginning of September has been the active buying in a variety of goods suitable for consumption by the home population. Extensive purchases have been made in household goods, linings, casement cloths, furnishing fabrics, Italian cloths and other materials suitable for blinds to meet the requirements of the Air Raid Precautions organizations.

Numerous manufacturers, however, have derived their chief support from government contracts, and business on a large scale has been done in drills, tent cloths, ground sheets and materials for proofing. Taking the weaving section as a whole, manufacturers have had more work on hand than for several years and there has been considerable pressure for deliveries.

YARN SPINNING

During the summer months of 1939, trade in yarns was far from satisfactory and heavy yarn stocks were held in some mills. After the beginning of hostilities the demand became decidedly active, especially in coarse counts made from American cotton. Spinners in this branch were not able to cope with the demand and the supply was not sufficient to meet the requirements of users. As a result prices advanced rapidly, especially in ring descriptions, with the result that the margin of profit became wider than for many years past, despite the higher costs met by producers. Throughout the industry the serious problem has been the shortage of labour.

FOREIGN TRADE

The export of cotton yarns and cotton manufactured goods during 1939 showed little change from the previous period, totalling slightly more than £49,000,000, which was a decrease of only £592,000, as compared with 1938. On the other hand, the import of raw cotton and waste showed an increase of £4,700,000 as compared with the previous year and amounted to £34,300,000.

LEGISLATION

The year 1939 was notable for the passing of the Cotton Industry (Reorganization) Act in August. It was to have come into operation on November 4; instead there came into existence on September 17 the Cotton Board, which was specially set up to consider matters affecting the cotton trade arising out of the war and to make recommendations to the responsible ministers on such matters as might require action. The Board consisted of nine members, and all sections of the industry were represented, including the trade unions.

OUTLOOK

As to the future, it seems certain that as long as hostilities continue, the full output of the spindles and looms in Lancashire will be well absorbed and

that the prices ruling will be remunerative. In some sections the demand has already exceeded the supply. On the other hand, there is some nervousness as to the effect of the war on export trade, as the high prices ruling in Lancashire will probably enable competitors to secure orders which under normal conditions would come to this country.

RAYON INDUSTRY

During 1939 the rayon industry showed a vast improvement, both technically and commercially. After the setbacks of 1938, when over-production and poor economic conditions generally restricted progress, the year opened with a distinct improvement in trading conditions.

An outstanding commercial development of the year was the establishment of an agreement in February between the two largest producers of rayon, as a result of which the British rayon industry, for the first time in its history, adopted a fixed price list, which resulted in more harmonious working conditions generally.

PRODUCTION

At the outbreak of war rayon came under government control immediately. No figures of production have been issued for the months since then, but up to that time the output showed a large increase over the two previous years. During the first eight months of 1939 production of continuous filament rayon totalled 74,346,151 pounds as compared with 74,124,161 pounds in the corresponding period of 1938 and 79,111,000 pounds in the same period of 1937. The decline in production of filament rayon compared with 1937 is accounted for by the tendency towards finer denier yarns and was more than made up for by the rapid progress in staple fibre, the production of which during the first eight months of 1939 was nearly double that of the corresponding period in 1938, amounting to 38,740,555 pounds.

Exports of cut fibre continued to be an important factor, but the advance in home consumption was even more impressive. A large quantity of rayon is used by the worsted trade in Yorkshire and during 1939 considerable progress was made in the utilization of staple fibre. Greater ingenuity has been displayed by designers of dress and costume fabric mixtures of staple fibre and wool. Progress was also made with an entirely new fibre known as "Rayolanda", which mixed with wool gives varying tones of shades with wool dyestuffs. Another achievement of the Yorkshire trade has been the production of an imitation flannel made of 100 per cent staple fibre.

EFFECT OF WAR

Although it is too early to give any indication of the prospects for the rayon industry during wartime, it can be said that up to the present the rayon industry has had comparatively little difficulty with raw material supplies, although acetate is becoming somewhat scarce in view of its extensive use in various war industries.

The curtailment of import of rayon piece-goods, dresses and hosiery widens the field appreciably for home-produced rayons, while the advance in rayon yarn prices has not been so marked as in the case of cotton, silk, and wool. Moreover, it is anticipated that the use of rayon in the fashion-stocking trade will show a large increase due to the shortage and higher cost of pure silk hosiery.

POSSIBLE MARKET FOR CANADIAN BUTTONS IN AUSTRALIA

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, August 8, 1940.—Due to the greatly decreasing offerings of English and Japanese buttons, it is felt that there will shortly be a distinct shortage of buttons of all kinds in Australia. At the moment there is a particularly acute shortage of vegetable ivory buttons.

In spite of current trading restrictions affecting Canada as a "non-sterling" country, it may be necessary for Australian importers of buttons to look to Canada as a source of supply. It is suggested, therefore, that Canadian button manufacturers who might be interested in developing a market in Australia should give some consideration to the possibility of exporting to this country. Interested Canadian manufacturers with supplies available are invited to communicate with the Department of Trade and Commerce, Ottawa, quoting file No. 11683, for information as to the name of an Australian importer who can offer every facility for the marketing of buttons in Australia.

AUSTRALIAN WHEAT AND FLOUR

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, cabled on September 16 with regard to the wheat and flour situation in Australia as follows:—

Figures relating to wheat shipments from Australia and the unsold carry-over are no longer published, but the carryover is privately estimated at 49,000,000 bushels. Sales by the Australian Wheat Board to September 11 amounted to 128,500,000 bushels. A quiet demand persists for wheat for Shanghai flour for Taku Bar, but business is restricted owing to shipping and exchange difficulties. The Board's price for wheat on trucks at terminal port is 3s. 11½d. (approximately 69 cents Canadian) per bushel in bulk. The Board's overdraft covering advances on the 1939-40 crop has been reduced to £A16,250,000. Adverse moisture conditions still predominate in the majority of wheat-growing states and a yield less than average is anticipated.

An improved demand for flour from near eastern ports is apparent, but many mills are still working only part time. Export quotations for flour are £9 2s. 6d. (equivalent to \$32.12 Canadian) per ton in 49-pound calico bags, and £8 17s. 6d. (equivalent to \$31.24 Canadian) per ton in 150-pound sacks. Freight rates are steady, the nominal charter rate for cargoes to the United Kingdom being £5 10s. per ton.

FOREIGN TRADE OF KENYA AND UGANDA IN 1939

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, August 10, 1940.—The annual report of the trade of Kenya and Uganda for the year ending December 31, 1939, indicates that the contraction in the value of external trade which was noted in 1938 has continued during the succeeding period. The position is illustrated by the subjoined table:—

	1937	1938	1939
Merchandise imports	£ 9,843,219	£ 8,004,690	£ 7,661,020
Government imports	989,354	1,662,340	1,327,966
Total imports	10,832,573	9,667,030	8,988,986
Domestic exports	9,656,791	8,504,650	8,132,523
Re-exports	2,495,948	2,308,521	2,618,143
Total exports	12,152,739	10,813,171	10,750,666
Total trade	22,985,312	20,480,201	19,739,652

As regards last year's merchandise imports, 75 per cent of the total consisted of articles wholly or mainly manufactured, of which cotton textiles was the most important individual group; food, drink and tobacco followed with 13 per cent. The United Kingdom supplied 40·2 per cent of the total imports. Other leading countries of origin, with the percentages credited to each, were: India, 5·7; South Africa, 2·3; Canada, 1·5; Tanganyika, 12·2; Germany, 3·5; Belgium, 2·7; Japan, 10·3; Iran, 3; and the United States, 8·7.

Turning to domestic exports, coffee is the most important commodity, accounting for 19 per cent of the total. Gold bullion followed with 15 per cent. Other domestic exports, with respective percentages of the total, included: tea, 12; sisal fibre and tow, 11; pyrethrum, 9; corn, 5; sodium carbonate, 4; raw cotton, 3; and butter, hides, wattle bark and wattle extract, each with 2 per cent.

The United Kingdom absorbed 34 per cent of the total value of domestic exports. India followed with 21 per cent, while Japan was next with 10 per cent. The United States took 7 per cent, Tanganyika 4 per cent, and Canada and South Africa each 3 per cent.

TRADE WITH CANADA

Trade with Canada is characterized by the excess of exports over imports, as shown by the following figures covering the past three years:—

	Imports	Exports
1937	£160,991	£379,491
1938	112,983	276,146
1939	137,753	250,971

In addition re-exports to Canada are of some importance. The respective values of these in 1937, 1938 and 1939 were £58,666, £71,322, and £72,090.

Coffee is the principal commodity so far as both exports and re-exports to Canada are concerned. In 1939 the former had a value of £220,719 and the latter of £71,601. Sisal, fibre and tow followed, exports to Canada being valued at £7,440 as against £34,849 for the preceding year. Imports from Canada are slightly more diversified, but here too a few articles are dominant. The more important of these, together with their values, in 1938 and 1939 were:—

Principal Imports from Canada

	1938	1939
Canned fish	£ 973	£ 1,396
Powdered milk	214	271
Lumber, sawn or hewed	1,149	1,845
Ploughs, harrows and cultivators	6,390	4,509
Binders, reapers and mowers	424	2,938
Agricultural machinery n.o.p. and parts	3,862	2,293
Industrial machinery and parts	921	908
Typewriters	936	296
Paper, packing	336	424
Paper, printing	25	87
Motor cars	26,389	44,629
Motor car parts and accessories	7,432	7,528
Motor trucks	35,962	40,515
Motor truck parts and accessories	2,500	1,504
Tractor parts and accessories . . . . .	.....	382
Other vehicle parts and accessories	1,082	267
Automobile tires	5,199	6,150
Automobile tubes	328	412
Truck tires	5,118	7,826
Truck tubes	369	636

The future for Canadian trade with Kenya and Uganda is rendered uncertain by import restrictions. In addition, with the entrance of Italy into the war both territories are now in the area of hostilities.

TURKEY'S EXTERNAL TRADE IN 1939

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

Cairo, July 8, 1940.—According to Turkish official statistics, comparative figures of Turkey's external trade in 1938 and 1939 are as follows:—

	1939	1938 In £tq. 1,000	Inc. or Dec.
Imports..	118,249	149,837	—31,588
Exports..	127,389	144,946	—17,557
Trade balance..	+9,140	—4,891	+14,031

The above figures show a decline of £tq.31,588,000 in the value of imports, a recession of £tq.17,557,000 in exports, and an export surplus of £tq.9,140,000, as against a deficit of £tq.4,891,000 in 1938. It is to be noted, however, that the 1939 import figures do not include purchases of war material, which were paid for by special credit arrangements.

Imports in 1938, owing to large purchases of iron and steel, machinery, railway equipment, and ships, constituted a record. During the first eight months of 1939, the same high level was maintained, and imports for the year were only reduced to the normal figure of £tq.118,249,000 by the heavy drop in imports after the outbreak of war.

During the first eight months of 1939 exports were about £tq.8,000,000 higher than in the corresponding period of 1938, but there was a decrease of over £tq.26,000,000 in the last four months as compared with the four months ended December 31, 1938.

The chief items of import included: iron and steel; machinery; cotton yarn and cloth; land transport material; combustibles and mineral oils; copper and alloys; woollen yarn and cloth; paper; skins; technical instruments; chemical products; alkaloids; and coffee, cocoa, and tea.

Principal exports comprised leaf tobacco; mohair; decorticated nuts; chrome ore; raisins; raw cotton; dried figs; barley; skins; opium; sheep casings; eggs; valonea; olive oil; coal and wheat.

Germany, despite a heavy reduction in her trade with Turkey, retained her lead both in imports and exports.

TRADE WITH CANADA

Figures supplied by the Turkish Ministry of Commerce show that exports from Turkey were valued at £tq.989,667 for the eleven months ended November 30, 1939, and £tq.683,902 for the calendar year 1938, while imports from the Dominion totalled £tq.501 and £tq.14,806 in 1939 and 1938 respectively.

Comparative values of Turkish goods exported to Canada in 1938 and in the period January 1 to November 30, 1939, are as follows:—

Turkey's Exports to Canada

	Jan.-Nov. 1939 £tq.	Jan.-Dec. 1938 £tq.
Hazelnuts (shelled)..	89,564	31,532
Valex..	34,478	11,991
Figs..	211,994	189,295
Leaf tobacco..	421,674	385,359
Fur skins..	201,102	44,232
Other goods..	30,855	21,493
Total..	989,667	683,902

Imports from Canada into Turkey, admittedly insignificant, consisted chiefly of machinery.

SALES OF CANADIAN GOODS HANDICAPPED

The obstacles in the way of sales of Canadian goods in Turkey are summarized in a memorandum received recently by the Canadian Trade Commissioner at Cairo from an official source; this memorandum reads in part as follows:—

The main obstacle hindering the import of Canadian goods has been the reluctance of the Turkish Authorities to grant import exchange compensation permits to importers, despite the fact that purchases by Canada of Turkish exports show a credit balance for the year 1939. Trading transactions between Turkey and countries coming under the interchangeable compensation regime (including Canada), have been at a standstill for quite a period because payments were only being made by Takas Ltd. (Istanbul) with a considerable delay.

However, a change has recently been brought about by the ruling given by the Turkish Ministry of Commerce on June 1st, 1940. Not only (1) has the import premium for "interchangeable compensation regime countries" been reduced from 56 to 51 per cent as from June 1st; but (2) the Ministry of Finance has authorized Takas Ltd. as from May 31st, 1940, to *resume the sale of exchange compensation permits* in respect of imports from such countries. A priority distinction is made with respect to goods which may be imported. Two lists have been drawn up as under.

List "A"

Raw Hides
Merinos
Jute
Mineral oil residues
Copra
Raw rubber
Cork
Iron bedsteads

List "B"

Tea
Coffee
Porcelain teeth
Pepper
Spices
Yarn for fishing nets
Quinine cloves
Insecticides
Gums

Exchange permits are more rapidly obtained in respect of imports of essential raw materials, etc., shown on List "A".

Thus (as an illustration of procedure), if Canadian exporters can offer goods on List "A" to Turkey, their Turkish import correspondents will be able to obtain exchange compensation permits more rapidly than if items on List "B" are offered.

The procedure is not solely for the Canadian exporter to find the importer in Canada for Turkish products, but rather for the Turkish importer (at the request of Canadian exporters) to apply to Takas Ltd. for his permit to import goods from Canada. This should be granted providing (a) there is a credit balance in the interchangeable compensation account (which there is not at present), and (b) that they are either on List "A" (see paragraph 2 above) or considered to be essential for Turkey's needs, e.g. harvesting machinery.

Another obstacle at the present time is the shipping difficulties in the Mediterranean.

POINTS FOR EXPORTERS TO MEXICO

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, August 23, 1940.—Of all the Latin-American markets, Mexico, or Los Estados Unidos Mexicanos, is the nearest to, and yet in some ways the most difficult of access from, Canada. The United States shuts it off from the Dominion by land, and there are no direct shipping lines by sea. Mexico is not a new country. It has had for centuries a highly developed economic civilization of its own, which the Spanish invaders failed to destroy. The crops that are grown in Mexico to-day were raised centuries before the coming of Hernán Cortés in 1519. The native life in Mexico has not yielded to the newcomer as in other parts of North America.

Probably the main economic problems of Mexico are water, labour and capital. There is too little water and capital and too much untrained labour.

GEOGRAPHY

The area of Mexico is 767,196 square miles, or a little less than one quarter that of the United States. It is bounded on the north by the latter country for

1,500 miles; on the south it has a boundary of 550 miles with Guatemala and British Honduras. On its east is the Gulf of Mexico and the Caribbean, and to the west the Pacific Ocean. The Pacific coast line is 4,629 miles in length, while on the east the coast extends for 1,727 miles.

Geographically Mexico has three main aspects: a central plateau with mountain ranges, a low coastline, and the peninsula of Yucatan. The central tableland is north and south of the capital, between the mountain flanks of the Eastern and Western Sierras Madres. This plateau is on an average 6,000 feet above sea-level. The coast lowlands, known as the *Tierra Caliente*, are tropical, swampy and in many districts unhealthy.

Between the *Tierra Caliente* and the mountains above (6,000 feet), in the area known as the *Tierra Fría*, lie the *Tierras Templadas*, an area between 4,000 and 6,000 feet in altitude, which comprises the bulk of the interior tableland and is the most favoured area for habitation and agriculture. The temperature in the capital, for example, ranges from 65°F. to 75°F. throughout the year. The most fertile belt is probably at about 3,000 feet above sea-level, on the boundary of the *Tierras Templadas*.

This great variation in climate, dependent on altitude, can be best appreciated if one drives up from the coast. One passes in sixty miles from the tropics with their damp stifling heat, from palm and banana grove to the cool, almost Canadian-like fall weather and large pine forests.

The Yucatan Peninsula, on the other hand, is tropical, and the only communication between it and Mexico City (from which it is cut off by jungles and swamps) is by boat from Veracruz to Progreso or by air from the capital to Mérida.

Mexico possesses a number of small islands off Lower California in the Gulf of California. Its principal river is the Rio Grande del Norte, 1,644 miles in length, which is on the boundary between Mexico and the United States. It rises on the American side and receives but few tributaries from Mexico. The other rivers are few and of small size: Lerma (540), Rio de las Balsas (426), the Yaqui (390), and the Chiapas (350). More remarkable than the rivers are the Mexican mountains. The Pico de Orizaba is the second highest peak in North America. This extinct volcano rises sharply to 18,209 feet; there are many other peaks nearly as high, including the Popocatepetl (pronounced Popocah-tép-et-al) 17,888; Ixtaccihuatl (pronounced Iestasi-watl) 17,343; Nevado de Toluca, 15,168, etc.

Annual rainfall, which is unevenly distributed, varies in the non-desert country from 8 to 40 inches. In the north irrigation has to be resorted to.

CLIMATE

The climate in Mexico is a matter of altitude not latitude. There are three climatic zones in Mexico; for the coast tropical clothing is required, but for the capital and the central plateau ordinary Canadian spring or fall clothes are satisfactory. Generally speaking there are two seasons in Mexico: the wet (from June to October) and the dry (from November to May). While either of these seasons is suitable for a visit to Mexico City, if the visitor is staying for long in the coast lowlands, such as Veracruz or Tampico, the winter season is preferable for a visit to this country.

POPULATION

In 1938 the population of Mexico was estimated at 19,478,791. An exact census is difficult to obtain owing to remote Indian populations. Approximately 60 per cent are of mixed race, 30 per cent of pure Indian blood, and some 10 per cent of European descent. It is estimated that there are at present in Mexico less than 8,000 British residents, some 12,000 American, over 15,000 German, and about 5,000 each of French and Italian origin.

PURCHASING POWER

Only about 30 per cent of the total population can be regarded as potential purchasers of Canadian products. Consequently the market is much more restricted than would appear at first sight. The total of potential consumers is estimated at less than five million, or much less than in a small European market. By its juxtaposition and its investments the United States has the advantage in this market. Its only rival is possibly a highly industrialized European country, such as Germany, which can supply cheaper lines in machinery, etc., and is prepared to barter manufactured goods for raw materials. An example of this was the complete cessation in 1938 of imports of Canadian newsprint, which might occur again if Germany is in a position to resume her well-known economic methods.

The extent of the demand for a product must therefore be estimated on the basis of the purchasing power of the population, for the peon in his adobe hut is not a purchaser of Canadian goods.

LANGUAGE

Commercial travellers from Canada should preferably speak Spanish. The native element still speaks Indian languages and dialects. It is estimated that about one million cannot speak Spanish; the ordinary visitor, however, will not encounter these. English is also fairly well known in commercial circles; for official contacts Spanish is necessary. Courtesy, and the use of their language, is highly appreciated by Mexicans.

REPRESENTATION

The Mexican market offers all the usual facilities for commercial representation, such as commission agents (*comisionistas*), direct buyers, travelling salesmen, indent houses in New York or other cities who purchase for Mexican companies, and branch offices in Mexico.

The commission agent is the usual medium for initial entry into this market. These sell to importers on behalf of their principals and their remuneration is in the form of commissions. Generally they do not carry local stocks, and only those with sufficient capital should be allowed to do so.

Employment of a direct importer or buyer is another excellent method, if he is financially strong. The exporter has the advantage of shipping to one firm that is responsible for payment of all accounts.

The branch office in Mexico is only justified when sales are sufficiently large to carry it.

It should be noted that the commission agent may transact commercial acts in his own or his principal's name. In the latter case he is a simple agent, and his rights and obligations are governed by the general Mexican Civil Law. When doing business in his own name he assumes a direct liability to the customer, who is liable to him only and who can take direct action against the principal. The latter has no direct right of action against third parties, but he may stipulate the assignment to him of the commission agent's rights against the persons with whom he deals. In order to avoid possible difficulties, the consignor should specifically instruct the consignee in whose name he is to act. Commission agents must keep books. The fees, duties, and liability of the commission agent should be studied by the Canadian exporter. Before finally appointing an agent, it is best that a competent representative of the exporting firm should visit Mexico in order to investigate with whom he is dealing, and, secondly, to establish personal contact with his agent. This latter necessity is often overlooked. Further, the "mandato" or contract is thus better founded.

DIVISION OF TERRITORY

While for many products an agent established in Mexico City is sufficient to look after the whole country, it may happen that for a particular product a division of the territory is necessary. This is due to Mexico's geographical and commercial conditions. There are, in fact, five distinct trade regions, in each of which the geographic, economic and social features vary.

(1) In the central plateau, including the capital, about 75 per cent of Mexico's commerce is centred. In the great majority of cases the Canadian exporter will concentrate his efforts in this region.

(2) Northern Mexico, of which the distributing centre is Monterrey.

(3) The oil area of the Gulf coast; the chief Gulf ports are here, Tampico and Veracruz.

(4) The west coast of Mexico; Guadalajara is the centre of supply.

(5) The Yucatan Peninsula; this is always to be regarded as a separate commercial district. The port is Progreso, and the capital is Mérida.

All five districts are in some, but not in all, cases covered by houses in Mexico City. This is done through sub-agents or travellers. Before appointing an agent a Canadian exporter should ascertain how much of these territories he adequately covers. It may be generally considered that provincial Mexican agents do not cover the whole area, even if agents in the capital do so.

PRINCIPAL CITIES

The market values of the above areas can be estimated from the populations of the leading Mexican cities. The capital has around 1,220,000 inhabitants; Guadalajara, 179,566; Monterrey, 132,577; Mérida, 120,000; Puebla, 114,793; San Luis Potosí, 92,000; and Tampico, 76,000. There are also three cities with a population of 60,000; Veracruz, Saltillo, and Torreón.

PORTS ON THE EAST COAST

For Mexico proper the two ports on the Gulf are Veracruz and Tampico. Tampico is the main port for most classes of cargo, and is the chief commercial centre for Northern Mexico. It has a population of 76,000 and is seven miles up the River Pánuco. The oil tanks and refineries for which it is famous extend for miles along the southern bank. June and July are trying months here. There are daily connections by plane between Tampico and Brownsville (1½ hour) and rail connections with Mexico City (600 miles) and Laredo in the United States.

Veracruz is the port for Mexico City, being only 264 miles from the capital. There are communications with the capital by rail (12 hours), by air (2 hours), and by an automobile road. The population is about 60,000. Besides day trains, a night train connects the port with the capital.

There is a regular steamer service provided by the Cuba Mail Line from New York to Veracruz and Progreso, and by the Standard Fruit and Steamship Co. from New Orleans to Veracruz.

Progreso is the chief port for Yucatan. It is 23 miles from Mérida, the capital of that state, which is a separate market from Mexico proper. Both New York and New Orleans steamers visit it. The population is about 15,000, and sisal, chicle and hides are exported. The port is one hour from Mérida (population 120,000) by rail. There are also motor buses. This port is 400 miles from Veracruz. Except in summer, visitors should stay in Mérida.

The port on the west coast of Yucatan is Campeche, which is also connected by the United Railways of Yucatan with Mérida.

WEST COAST PORTS

West coast ports include Acapulco, Guaymas, Manzanillo, Mazatlan, and Salina Cruz.

The largest port in Mexico on the Pacific coast is Mazatlan, at the foot of the Sierra Madre. The city is modern and is the chief industrial and commercial centre of western Mexico. The population is 31,000. There is an air service to Mexico City three times a week, and the flight takes 4 hours. Precious metals, hides, tobacco, ixtle, chick peas and bananas are the principal exports, while imports are chiefly from the American Pacific coast and include provisions, machinery, agricultural implements, automobiles, dry goods, lumber, liquors, chemicals, hardware, and crockery.

Manzanillo is one of the oldest west coast ports and serves the Guadalajara and Jalisco districts. American and Mexican steamers trading between San Francisco, Central America and Panama visit it. The Grace Line and the N.Y.K. have a regular monthly passenger and cargo service north to San Francisco. Landing is by lighter. The main exports are coffee and hides. The population is only 7,000 and this port is distant 600 miles, 25 hours rail travel, from Mexico City.

Acapulco is 320 nautical miles south of Manzanillo and has the same number of inhabitants. It is a call port for the Panama Pacific Line from New York to San Francisco and of the Cia. Naviera Mexicana. Vessels anchor off shore.

Guaymas is a port on the Gulf of California. It has a population of 10,000, with numerous Chinese. The trade on this part of the west coast is affected by the rainy season (June to October). Cattle are moved to the foothills before it begins. In fact the busiest trading time is just before the wet season, which is the purchasing season for the mining industry. The farmers, having sold their tomatoes to the American market by April, have money to spend. Orders are received in the stores in May for the pre-planting and outfitting demand.

Salina Cruz, the terminal of the Tehuantepec National Railway, has lost much trade since the opening of the Panama Canal.

QUOTATIONS

To quote f.o.b. Canadian port is not a satisfactory method; all quotations should be on a c.i.f. basis at a Mexican port. Quotations should therefore be c.i.f. Tampico or Veracruz for delivery by water on the Atlantic coast, or c.i.f. Mazatlán or Manzanillo on the Pacific coast. For Yucatan all prices should be c.i.f. Progreso. As a rule an Eastern Canadian exporter should quote c.i.f. Atlantic coast, and a Western exporter c.i.f. Pacific ports. Unit weights should be figured, where possible, in metric units. Shipments by express should not be undertaken unless requested, as express charges are high. Small parcels can be forwarded by mail, and this is the most economical method. If quotations cannot be supplied c.i.f. Mexican port they should be c.i.f. New York.

TERMS OF PAYMENT

Terms of payment depend on the individual case; thirty, sixty or ninety days terms are usual. However, the custom of the particular trade must be considered.

An exporter demanding cash with his order is not likely, under normal conditions, to make headway in this market. The importer will not only be without his money while awaiting the arrival of the goods, but, he will have to grant a further period of credit to his customers. If the exporter allows him

sixty or ninety days, the Mexican importer is generally satisfied. Lack of capital and intensive competition are the two main problems of the local importer which the exporter must not neglect.

In every case the safe rule is to examine most carefully the commercial standing of the buyer. Old Mexican import houses of unquestioned integrity are often the most insistent on the credit clause. In such cases their desires must be met or the business is lost. At the same time it is essential for the exporter to ascertain the character of the party with whom he is negotiating.

CREDIT TERMS

In many cases exporters with known connections in Mexico will find it advantageous to grant the usual credit. The best customers are those who accept a thirty- or sixty- and sometimes ninety-day draft payable through a bank. If acceptance in some exceptional case be refused, the Mexican Mercantile Law provides rapid and inexpensive relief in the event of non-payment for the credit by granting an attachment (without notification) to the value of the draft against property belonging to the debtor. Such legislation makes non-acceptance in the case of a reliable firm very unlikely.

If the exporter should make sales through a commission agent and credit be extended to a number of buyers, the agent must have power to act as an intermediary in case of any purchaser's refusal to take up his draft.

In the case of credit, documents should be sent to a bank, deliverable against a time draft. The buyer is usually given a discount if he pays cash against documents; this, however, is but rarely done in this market. In case a commission agent is employed, the bank in Mexico usually pays his commission and then remits the balance to the exporter. Goods should be shipped "to order", so that no endorsement is necessary on the documents if sale of the goods to a third party becomes necessary on account of the original buyer's non-acceptance. Should this occur, it is not easy to force payment.

Credit granted on part payment is not used in Mexico and should not be offered.

CREDIT INFORMATION

The usual bank and other sources of credit information, such as Messrs. R. G. Dun & Co., are available to inquirers. Credit reports in any case should be accepted only from established reporting agencies and banks. There are no longer any branches of Canadian banks operating in Mexico.

CONSIGNMENTS

Unless there is long standing connection between exporter and importer, no merchandise should be shipped on consignment. Many small agents await such offers, and those who request them are generally not reliable. On the other hand, German and other foreign exporters with reliable agents or branch houses have for a long time maintained stocks on consignment. Consignments depend upon the responsibility of the parties concerned.

CUSTOMS TARIFF

The Mexican customs tariff is specific and is based in the majority of cases on the weight of the goods. The weight has three classifications in the tariff: gross, legal and net weight. The importance of weight in shipments to Mexico must never be overlooked. Lighter articles, as for example linoleum table covers, have displaced those of a rival firm which did not make the lighter qualities.

DOCUMENTATION

Detailed information covering documentation of shipments to Mexico has been published in pamphlet form. Copies are available to interested Canadian firms on application to the Department of Trade and Commerce, Ottawa.

ADVERTISING

Advertising in Mexico is either through the press, the moving picture, or the radio. All the important papers are published in Mexico City. Extensive sales campaigns in the press are only occasionally favoured. Window displays are, if the goods are suitable, a satisfactory means of publicity in the capital. The writing of circular letters is of questionable value, particularly if there is no follow-up and the mailing list is not up to date.

Before translating Canadian catalogues, booklets, folders, and printed sales letters into Spanish, they should be gone over by an expert, in order to redirect their appeal point from the Canadian viewpoint to the Mexican. This is far more important than the direct translation.

CURRENCY

The unit of value is the peso. There are notes in circulation for 5, 10, 20, 50, 100 and 1,000 pesos. There are small silver coins of 1 peso and of 50 and 20 centavos, nickel coins of 10 and 5 centavos, and copper of one and two centavos. Gold coins are now out of circulation but can be bought.

WEIGHTS AND MEASURES

The metric system is official and compulsory. Exporters, when quoting, should remember this. The use of old Spanish measures is confined to the lower classes and Indians. Canadian exporters will seldom need to use these.

POSTAGE

All classes of mail matter (except air mail and parcel post) from Canada to Mexico may be sent at the same rates and under the same regulations (except as regards special delivery of letters and indemnity for registered articles) as matter addressed to places in the United States. Letter postage is 3 cents for the first ounce and 2 cents for each additional ounce. Air mail rates are 10 cents for each $\frac{1}{4}$ ounce. Advertising matter is subject to customs duty. Dutiable articles may be imported by letter post, but an additional customs fee may be levied on such articles. Newspapers and periodicals published in Canada are accepted at inland postage rates. Bank notes and coin (except gold) may not be mailed. The same remark applies to dummy seats, sweet-meats paste, fruits and vegetables, and pistols and other weapons used for tear gas.

The rates for parcel post are: 1 pound, 20 cents; 2 pounds, 40 cents; 3 pounds 60 cents; and so on up to 10 pounds; over 10 and up to 15, \$2.50; over 15 and up to 20 pounds, \$3. Straw hats and similar articles must be packed in strong wooden or metal cases, otherwise they will not be delivered. Parcels must be sealed by means of wax, lead, or some other similar substance.

SAMPLES AND ADVERTISING MATTER

Samples without commercial value are admitted duty free into Mexico, but when they are saleable the ordinary duty is assessed. Samples of jewelry are always dutiable.

Advertising matter (even individual catalogues) pays duty, even when sent by letter mail.

Electrotypes, stereotypes, matrices, clichés, etc., pay duty.

Canadian exporters should always deliver their samples and advertising matter to their customers by prepaying duty or by instructing their agents to pay it and redistribute bulk shipments of catalogues, etc.

Samples up to eighteen ounces can be shipped by sample post. Advertising matter should be sent as "prints" by the regular mails in order to avoid the surtax on parcel-post packages.

A customs declaration is required on parcel-post shipments to Mexico. It must show separately and in detail the contents of each parcel opposite the reference.

PUBLIC HOLIDAYS

The following are whole holidays in Mexico: January 1, February 5 (Constitution Day), Good Friday and the day before and the day after, May 1 (Labour Day), May 5 (National Day), Corpus Christi, June 30 (banks only), September 16 (Independence Day), October 12 (Columbus Day), November 1 (All Saints), November 2 (All Souls), November 20 (Revolution Day), December 12 (Guadalupe Day), Christmas, December 31 (banks only).

BANKING

There are now no longer any branches of Canadian banks in Mexico. The leading banks include: The Banco de México (Central Bank); Banco de Londres y México; National City Bank; Banco Nacional de México; Banco de Jalisco; Banco Internacional, etc. The first is the sole bank of issue.

TRADE MARKS

Exporters with patented goods should always register their trade marks in Mexico before selling in this market. The following data are required: (1) name of company; (2) under what laws the company has been organized; (3) legal domicile; (4) location of plant; (5) date of first use of article in Mexico; (6) fifteen copies of the electrotype of the trade mark; (7) denomination of trade mark; (8) a letter of power of attorney to lawyers empowered to register the trade mark. In this last item the letter should be legalized by a notary and also by the local Mexican Consul. The notary must certify to the company's legal existence, under what laws it is operating, and that the official signing the demand is the company's lawful president or attorney-in-fact.

SHIPMENTS OF PHARMACEUTICAL PRODUCTS

The formulae of imported drugs must be published on the labels. Approval for sale must be obtained from the Ministry of Public Health. Samples for chemical analysis, formulae, and all printed matter must be submitted with application. Exporters should arrange this through their agents and not overlook the fact that in each case of a new product a tariff ruling is necessary from the Ministry of Finance as to its particular tariff classification.

PURE FOOD LAWS

Foods and beverages on sale in Mexico since October 16, 1936, must be registered with and approved by the Mexican Public Health Department (*vide Diario Oficial* Vol. XCVII, No. 55, dated August 31, 1936). In order to obtain this sanction, an analysis of the contents, made by a chemist of a laboratory registered with the Mexican Department, must be submitted. This applies to alcoholic beverages, syrups, mineral waters, dietetic products, milk and by-products, fats, oils, cheese, butter, margarine, vinegar, flour and other cereals, essences, etc. The law covers a wide variety of items and exporters should satisfy themselves that their products, labels, packages, advertising, etc.,

conform to the regulations in force by consulting the Canadian Trade Commissioner in Mexico City. The Public Health Department issued a "Código Sanitario" (1934) governing these matters and which has been revised from time to time. Chapter IX covers the regulations for foods and beverages. It should be borne in mind that under Article 314 the registered number of the product has to be marked on the packing.

RESTRICTED IMPORTS

The importation of the following articles into Mexico is subject to special restrictions: arms; medicinal and toilet preparations; plants, fruit, seeds and vegetables (sanitary certificates); rice; wheat; maize; tinned meats over 10 pounds in weight.

LOCAL PRODUCTION

There is a certain amount of local industrial and manufacturing production in Mexico. Canadian exporters of new products should always endeavour to ascertain the extent of the local production. This is often protected by a high tariff. The national production of the following is generally sufficient to meet the bulk of home requirements, apart from the luxury trade or special demand: footwear; tires, canned fruits, perfumery, matches, cement, soap, book and magazine paper, beer, biscuits, cigarettes, cigars, glassware and pottery. For example, there are 7 domestic cement plants, with a capacity of 2,310,000 barrels. There are 9 paper mills. Between 3 and 3½ million pairs of shoes are made annually in 60 factories. There are 342 cotton mills, 11 cotton and wool, and 31 woollen mills, with 866,150 active spindles and 31,722 active looms.

COMPETITION

For all commodities the principal competition comes from United States producers. Their juxtaposition to Mexico is the primary cause of this. Further, the presence in Mexico of a considerable number of Americans, both resident and transient, the large investments of American capital (direct investments are estimated in the *South American Journal* at \$479,465,000), the unconscious advertising of American products by Mexicans who have lived or travelled in the United States, and the influx of American travelling salesmen into the country are all factors which have contributed to this American predominance in the Mexican market. The recent European blockade has further intensified this situation. At the same time, Canadian exporters should realize that Mexican importers are only too anxious to find other sources of supply, if price, quality and delivery are acceptable. Canadian goods and Canadian business men enjoy a reputation in Mexico equal to the best. Further, it must be remembered that if the existing European blockade has favoured the United States, it also favours many Canadian products.

MEXICAN FOREIGN TRADE IN 1939

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, September 2, 1940.—Preliminary figures of the trade of Mexico during 1939 have just been issued by the Mexican Department of Statistics. Total Mexican exports to all countries were valued at \$914,389,882 Mexican currency (\$186,834,541 Canadian) as compared with \$838,127,957 Mexican (\$196,289,567 Canadian) in 1938. The volume of exports was 4,156,922 metric tons in 1939, as against 3,547,179 tons in 1938. The average exchange rate for the Canadian dollar in 1938 was 4.27 Mexican pesos; for 1939 it was 4.89 pesos. This accounts for the differences in the Canadian dollar conversions.

Imports into Mexico in 1939 from all countries amounted in value to \$629,708,225 Mexican (\$128,649,390 Canadian) as against \$494,118,125 (\$115,722,464 Canadian) in the preceding year. The volume was 849,160 metric tons as against 897,969 in 1938.

Imports into Mexico from Canada, according to Mexican figures, rose from a value of \$5,155,039 Mexican (\$1,207,310 Canadian) in 1938 to \$7,035,229 (\$1,437,297) in 1939. The volume of Canadian exports to Mexico rose from 10,422 metric tons to 16,726 metric tons.

The value of exports from Mexico to Canada in 1938 amounted to \$168,026 Mexican (\$39,351), and in 1939 to \$267,104 (\$54,569).

IMPORTS BY COMMODITIES

The principal articles imported into Mexico from Canada in 1938 and 1939 were as follows, in kilos of 2·2 pounds:—

	1938 Kilos	1939 Kilos
Skins, rabbit, etc.	781	516
Fur skins	106	67
Barley	2,463,443	3,266,460
Malt	926,971	179,485
Ordinary cable and alloys	194,771	53,078
Alkaline cyanide	4,271,098	4,154,167
Cellulose paste for paper mfrs. . . . .	.....	987,203
Newsprint paper	1,357	6,886,880

PRINCIPAL IMPORTS FROM OTHER COUNTRIES

The principal imports from the United States into Mexico consist of canned vegetables, cereals, copra, petroleum, iron and steel pipes, caustic soda, cyanide, machinery, generators and motors, ploughs, radios, hand tools, tractors, automobiles and trucks, the last item being the most important followed by cereals and petroleum.

The leading articles supplied to the Mexican market in 1938 and 1939 were: malt, hops, common metal cable, iron and steel pipe, cotton hosiery, paints and varnishes, machinery and hand tools. Large shipments of cheese formerly came from the Netherlands, and Belgium was formerly a large supplier of photographic supplies, films and paper. Sweden shipped cellulose paste, and Italy supplied rayon yarn.

TARIFF CHANGES AND TRADE REGULATIONS

Australia

FURTHER CHANGES IN CUSTOMS (IMPORT LICENSING) REGULATIONS

Mr. L. M. Cosgrave, Canadian Trade Commissioner in Sydney, writes under date August 1, 1940, that a number of changes under the Customs (Import Licensing) Regulations were announced during the month of July by the Australian Department of Trade and Customs. Details of those instructions which affect or are of interest to Canada are given in the following paragraphs.

Calico for Bag Making.—From December 1, 1939, importers' base-year quotas with respect to this item, which is covered by Tariff Item 105 (A) (2), may be increased by 45 per cent by value, and licences may be issued on the basis of the adjusted values to the full extent of unabsorbed allocations for the year ending November 30, 1940.

Lithopone.—To provide a "bank" against possible supply difficulties from the United Kingdom, users of lithopone—as distinct from agents—may be granted licences to import 30 per cent quality on the following basis:—

- (a) Up to $\frac{1}{4}$ of the value of importations from all sources during the base year; or
- (b) Up to $\frac{1}{4}$ of the value of purchases from local agents during the base year; or
- (c) In cases where a user during the base year, in addition to importing, also obtained supplies from local agents up to $\frac{1}{4}$ of the sum of the value of importations and the value of local purchases.

This concession does not apply to agents, who are therefore unable to build up stocks. If the position in the United Kingdom improves the concession will be withdrawn. The term "value" means the value for duty increased by 25 per cent.

Spectacle Lenses and Frames.—*Commercial Intelligence Journal* No. 1890 (April 20, 1940), page 607, contained a reference to concessions which were to be granted to importers of spectacle lenses and frames. This concession was only to apply until June 30, 1940. The concession has now been extended until September 30, 1940.

Agar Agar.—As from July 17, 1940, the importation of all agar agar, other than for the processing of meats, into the Commonwealth, is forbidden. When for the latter purpose, licences are to be issued freely irrespective of previous imports by the applicant.

Records Covering Commentaries on A.I.F. Activities.—Such records are to be considered of sterling origin, and not subject to licence.

Machines and Machinery.—As from July 20, 1940, licences will not be issued on a quota basis for a number of machines. A list of the actual tariff items affected is on file at the Department of Trade and Commerce, Ottawa, and will be made available to interested firms. Importers desiring to purchase machinery covered by these items must submit applications to the Government at Canberra, who will make their decision after examining the urgency and the necessity of the goods involved. A large number of "A" category goods are affected, the purpose of the regulation being to ensure that the commodities, even if considered important, will not be imported to excess. In illustration: machinery for the manufacture of electric light globes may be considered vital; but when one such machine is capable of producing in a few months sufficient light globes to last Australia for a whole year, the purchase of a second electric light globe machine becomes unnecessary and a licence would not be issued, despite the history of previous importation.

Newsprint.—When the newsprint rationing scheme was announced (see *Commercial Intelligence Journal* No. 1906: August 10, 1940, page 233) it provided that licences would only be issued to newsprint proprietors and not to newsprint merchants. This ruling has now been modified by providing means for newsprint proprietors to "transfer" their licences to paper merchants who, in turn, are allowed to import paper in accordance with the licence and on the understanding that the quantities so imported will be delivered to the firms to whom the original licences were issued.

Licences Issued for Imports from European Countries Now Unable to Supply Because of War Conditions.—Previous instructions authorized the re-issue of licences under certain conditions to replace licences relating to goods ordered from certain countries which cannot be completed owing to war conditions. Those instructions related to Sweden, Norway and countries in enemy occupation on June 3, and limited the authorization to goods ordered since December 1, 1939.

With the extension of war to other areas orders placed in other countries, including France, are affected. The need for conserving non-sterling exchange has, however, concurrently increased and in the circumstances the issue of replacement licences cannot be permitted on the same scale as formerly.

Licensing officers are, however, authorized to issue replacement licences in respect of goods ordered *since* December 1, 1939, from European countries and countries in the Mediterranean area, in the following circumstances:—

- (1) Where the licensee establishes that he ordered the goods immediately after the issue of the original licence and it is clear that the order cannot be filled owing to war conditions;
- (2) The applicant for the replacement licence satisfies the collector that he has exhausted the possibility of obtaining similar goods or substitutes therefor from local sources or countries within the sterling area and the facts of the individual case provide justification for permitting a diversion of the order to another non-sterling country.

Replacement licences will not be granted in cases where:—

- (a) A debit to the extent of the unfillable order already stands against a relative future allocation of the applicant (an appropriate adjustment of the debit may be made in such cases);
- (b) The application relates to goods which are *now* graded wholly in Category "D" or to goods in respect of which importation from non-sterling countries is restricted by 100 per cent;
- (c) The goods are in the nature of fashion goods or unessential imports from the point of view of standard consumption.

Applicants seeking to avail themselves of these facilities must submit their request for cancellation as early as possible, but not later than August 24, 1940. Requests for cancellation and re-issue lodged after that date will not be recognized; but the applicant may be allowed until September 30, 1940, in which to apply for the replacement licence.

Books.—It has been decided to issue licences freely for all books, other than children's toy books, periodicals or magazines. This has been necessitated by the difficulty of determining those books which were admissible under the preceding regulations. To insure that the concession will not be abused by the purchase of "unnecessary" literature, the Government is seeking the co-operation of the importers in what may be termed a voluntary selective control. If it proves satisfactory the scheme will be continued.

Imported Press Matter and Photographs.—As from August 1, 1940, the following treatment is to be accorded press matter of non-sterling origin:—

"A" licences will be issued freely for:

- (1) News services (dutiable under Tariff Item 339) being printed matter portraying everyday overseas happenings in news form, or embodying articles of scientific, technological or educational nature, or outlining overseas social events, fashions and other matters of specialized news interest.
- (2) Press photographs portraying current overseas happenings [Tariff Item 410 (A)].

"B" licences to be withheld for the time being for:

- (1) Short and serial stories in printed, typewritten or other form (Tariff Item 339).
- (2) Photographs, being fashion plates, or photographs similar in nature to fashion plates [Tariff Items 410 (A), 335, or 338 (A)].

Dry Colours Containing Chromium.—Concessions previously made with respect to this item have been cancelled as the sterling supply position has improved.

Metal Bands for Pens and Pencils.—Such bands [Tariff Item 208 (A) (2)] other than of gold or silver have been reclassified and are now "D" category (for which, it is announced, no licences will be issued) instead of "C" as formerly.

Unwaxed Paper for Use in Manufacture of Paper Stencils.—From July 1, 1940, importers' base-year quotas of papers under this heading (Tariff Item 404) may be increased by 50 per cent. Licences may be issued during the current licensing period to the extent of 50 per cent of the full value of importers' base-year quotas after making the above adjustment, and such amounts will *not* be deducted from importers' authorized allocations.

Exemptions from the Regulations.—The following items have been exempted from the provisions of the Customs (Import Licensing) Regulations for the present: True vegetable parchment for use in spinning machine rollers; abrasive grains; perilla oil; fruit wrapping paper. A provision pertaining to the last item provides that if the paper is unoled, only plain white paper may be imported. If oiled paper is imported, it may be coloured, but not printed.

Removal of the Netherlands East Indies from the Non-Sterling Group.—As from July 22, 1940, goods of Netherlands East Indies origin will be treated under the Customs (Import Licensing) Regulations the same way as those of "sterling origin."

In order to qualify for entry under exemption, goods of Netherlands origin (other than goods being typical natural products of the Netherlands Indies) must be accompanied by a certificate issued by a competent authority in the Netherlands Indies, certifying:—

- (a) That the goods are wholly the produce or manufacture of Netherlands Indies;
- (b) In the case of goods classified under a protective item of the Australian Customs Tariff that the goods contain at least 75 per cent of Netherlands Indies material and/or labour;
- (c) In the case of goods classified under items other than a protective item of the Australian Customs Tariff that the goods contain at least 50 per cent of Netherlands Indies material and/or labour.

Certificates of origin are not necessary in the case of "typical natural products of the Netherlands East Indies," which means principally products of the soil, such as tea, kapok, coffee, tapioca, spices, fruits, nuts, seeds, rubber, etc.

TARIFF DECISIONS

Recent Australian customs decisions, as to the tariff classification and rates of duty on articles regarding which question had been raised, include the following:—

Paper cones of the type used in the spinning and weaving industries, bearing words indicating the commodity which is to be wound thereon and also the name and address of the Australian manufacturer of such commodity, 2d. per pound under British preferential tariff, 4d. per pound under general tariff, both rates to be increased as present Australian currency depreciation may be lessened (item 340E).

Air line lubricators, for lubricating pneumatic equipment and pneumatic tools such as rock drills, riveting hammers, chipping hammers and the like—as being similar to "Wakefield" lubricators—are admissible free of duty under the British preferential tariff and at 15 per cent ad valorem under the general tariff (bylaw under item 404). The decision published in *Commercial Intelligence Journal* No. 1896 (June 1, 1940), page 874, regarding "air line lubricators" etc., has been cancelled.

Safety tie pins (not being bar safety tie pins) of base metal, if gilt, gold-plated or silver-plated, 35 per cent ad valorem under British preferential tariff, 55 per cent ad valorem if from "most favoured nations" and 60 per cent ad valorem under general tariff (item 309D). Such pins, if not so gilt or plated but packed in fancy boxes, are dutiable at 25 per cent ad valorem under the British preferential tariff and 42½ per cent ad valorem under the general tariff. If not in fancy boxes they are free of duty under British preferential tariff and dutiable at 15 per cent ad valorem under the general tariff (item 210).

Canadian goods under the above items, having the required content of Canadian and/or Australian material and labour and shipped in accordance with Australian regulations, are entitled to British preferential tariff rates. Goods from all countries outside the British Empire are subject to general tariff rates, except where rates for "most favoured nations" are stated.

CHANGES IN FLOUR TAX

With reference to the article in *Commercial Intelligence Journal* No. 1900, June 29, 1940, page 1041, Mr. L. M. Cosgrave, Canadian Trade Commissioner in Sydney, has forwarded information of further variations in the rate of tax levied on flour under the Flour Tax (Wheat Industry Assistance) Assessment Act 1938-39, as follows: February 17, 1940, £2 1s. per ton; February 27, 1940, £2 5s. 5d. per ton; April 22, 1940, £1 15s. 5d. per ton; August 5, £1 18s. 5d. per ton.

The rate varies according to the amount by which the "free on rails" price of wheat is less than 5s. 2d. per bushel.

India

NEW TRADE MARKS LEGISLATION

Mr. K. F. Noble, Acting Canadian Trade Commissioner at Bombay, writes under date June 26, 1940, that previous references to the registration and protection of trade marks in India will have indicated that existing legislation has been less comprehensive and concise than might have been expected in a country whose commercial development has been undergoing marked advances. The Government of India has, however, now effected a Trade Marks Act which regularizes the position, and the attention of Canadian firms interested in the sale of products in this country is directed to the following brief comments on the question.

EXISTING RIGHTS

The Trade Marks Act 1940 has not interfered with rights to marks which have already been established by firms in India or by manufacturers in other countries, whose goods have been sold in India, either directly or through agents, and in fact has created certain priority rights for such *de facto* marks. Canadian firms need accordingly feel no apprehension over this question but, since procedure under the new Act has not to date been fully formulated, representatives in this country should be instructed to watch the situation and to inform their principals of any steps in the form of re-registration which should be given attention.

GENERAL PROVISIONS

Interpretation of the use of trade marks in India has been based in the main on the findings and judgments of British courts. Henceforth the situation is to be more clearly defined, with benefit to the business community. A valid trade mark shall comprise one or more of such characteristics as the name of the manufacturer (when presented in some special manner), one or more invented words, signature of the owner in some particular form, or other distinctive patterns or groups of marks. In general, descriptive or laudatory words will not be accepted as suitable for inclusion in trade marks, but pictures, if incorporated in the mark, will be valid and of particular value in a market such as India. The new Act provides also for the use of one or more colours in trade marks and covers various similar aspects of content and design. Restrictions are placed on the use of undesirable marks, while the principles are established that broadly descriptive marks are unacceptable and that co-right to the use of the same or substantially similar marks will not be granted.

LEGAL STATUS OF APPROVED TRADE MARKS

Trade marks valid on first granting for a period of seven years and renewable for a further fifteen years become property rights with legal support. Registered marks can generally be assigned as property, and exceptions arise only from peculiarities of certain types of registration. "Associated trade marks", i.e. trade marks created to support a basic mark, are equally assignable but "artificer's marks", being the grade or quality marks of non-commercial interests, can be assigned only after approval by the Central Government.

REGISTRATION BY CANADIAN FIRMS

Canadian firms whose goods are sold in the Indian market under special marks will be well advised to arrange with their local representatives for investigation of the validity and ownership of their marks and of their formal registration. The services of a number of patent and trade mark attorneys or agents are available to manufacturers or others interested in this subject. A list of such firms can be obtained on application to the Department of Trade and Commerce, Ottawa.

Nigeria

IMPORT LICENCES FOR FOODSTUFFS

The *Nigeria Gazette* of July 4, 1940, announces that, in order to reduce demands on the United Kingdom for food supplies to a minimum, import of foodstuffs from that source, except under licence, has been forbidden. Foodstuffs may still be imported without licence from other sterling sources. Imports of foodstuffs from the United Kingdom and from non-sterling countries will be allowed only for such articles and such quantities as are considered essential. Applications for import licence are to be addressed to the Controller of Imports, Customs Department, Lagos, and should be made before the order is placed abroad. The application should state fully the need for the importation.

In order to divert imports to those parts of the country where they are most needed, notice is given that the sale of tinned butter, tinned fish, tinned meat, biscuits and milk foods has been prohibited, except by permits to be granted only in those areas where fresh butter, fish, and meat are unobtainable or where the articles are required by particular individuals for health diet.

United States

DUTY ON RED CEDAR SHINGLES IN EXCESS OF QUOTA

United States Treasury Decisions (T.D. 50224), published September 5, 1940, contains the text of proclamation made by the President on August 26, 1940, imposing duty on imports of red cedar shingles in excess of a specified quota. Under the Canada-United States Trade Agreement of November 17, 1938, Canadian shingles of wood were to enter the United States duty free, with this proviso:—

The United States reserves the right to impose a customs duty, not exceeding 25 cents per square, on any red cedar shingles which may be entered, or withdrawn from warehouse, for consumption in any calendar year after 1938 in excess of a quantity to be specified by the United States, which quantity shall not be less than 30 per centum of the annual average for the preceding three calendar years of the combined total of the quantity of red cedar shingles shipped by producers in the United States and of the quantity of such shingles entered, or withdrawn from warehouse, for consumption (for the purposes of this Agreement, such combined total for the calendar year 1936 shall be considered as 7,526,056 squares).

A United States Act, approved July 1, 1940, provided means for implementing this proviso. The United States Tariff Commission, on August 1, 1940, reported on red cedar shingles as follows:—

Year	Shipped by Producers Imported in the for United States Consumption Squares Squares	
1937	5,299,942	1,934,536
1938	5,883,067	1,781,127
1939	6,058,515	2,758,248
Total	17,241,524	6,473,911
		Squares
Shipments and imports combined		23,715,435
Three-year average		7,905,145
30 per centum of 3-year average (quantity entitled to free entry in 1940)		2,371,544

Therefore, red cedar shingles up to 2,371,544 squares remain duty free, but imports in excess of this quantity are by the proclamation of August 26, 1940, subject to a duty of 25 cents per square. It is announced that during each calendar year hereafter, so long as the trade agreement with Canada remains in effect, the Tariff Commission will similarly ascertain the quantity of imports entitled to free entry.

Imports of red cedar shingles from January 1, 1940, to August 24, 1940, have been reported as reaching a total of 1,884,812 squares.

Netherlands Territory

CERTIFICATE OF ORIGIN

Mr. A. W. G. van Riemsdijk, temporarily in charge of the Consulate General of the Netherlands, Montreal, advises that, in order to avoid any possibility of trading with the enemy, all merchandise sent to Netherlands territory, in any part of the world, must be covered by a certificate of origin. These certificates, he states, can be issued by Netherlands Consulates but it is usually found more convenient to have them issued by the local Chambers of Commerce or Boards of Trade. There is no special form required. The signature of the officer of the Board of Trade is accepted as such and need not be certified by the Consulate.

TENDERS INVITED

Australia

MECHANICS' TOOLS FOR POSTMASTER-GENERAL'S DEPARTMENT

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, writes under date August 12, 1940, that the Deputy Director of Posts and Telegraphs, Melbourne, is calling for tenders for the supply and delivery of mechanics' tools (pliers and screw-drivers). The closing date for tenders in Melbourne is October 22, 1940. Interested Canadian manufacturers may obtain particulars of the tools required, quantities, etc., by applying to the Department of Trade and Commerce, Ottawa, quoting file No. 13945.

Any Canadian manufacturer not already represented in Australia who may be interested in quoting in connection with this tender is advised to seek the assistance of an Australian firm well versed in procedure connected with tendering for the requirements of Australian Government departments and ready to act on behalf of Canadian manufacturers in the submission of tenders, etc. The name of such a firm may be obtained on application to the Department of Trade and Commerce, Ottawa.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING SEPT. 16, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for the principal exchanges for the week ending Monday, September 16, 1940, and for the week ending Monday, September 9, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Sept. 9	Nominal Quotations in Montreal Week ending Sept. 16	Official Bank Rate
Finland	Markka	.0252	\$.0219	\$.0219	4
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0073	.....	—
Hungary	Pengo	.1749			
	Official		.3227	.3227	4
	Unofficial		.2150	.2150	—
Yugoslavia	Dinar	.0176	.0249	.0249	5
Portugal	Escudo	.0442	.0436	.0443	4-4½
Roumania	Leu	.0060	.....	.....	—
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2642	.2644	3
Switzerland	Franc	.1930	.2525	.2527	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2206	.2204	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.....	.....	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.....	.....	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	—
	Free		.2581	.2597	—
Brazil	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0556	.0556	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6326	.6326	4
Peru	Sol	.2800	.....	.....	—
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.3984	.4033	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0581	.0577	—
Hongkong	Dollar	.....	.2532	.2473	—
India	Ruppee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2601	.2601	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.....	.....	—
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5760	3.5760	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds continued unchanged at \$4.43-\$4.47 and \$1.10-\$1.11, respectively, during the week ended September 16. At New York sterling free market rates stiffened 1 cent to \$4.04 in limited trading. On the other hand, continued weakness was noted for the Canadian dollar at New York, quotations dropping 3½ cents to 83 cents between September 9 and 16. Closing Montreal rates of 25.27 cents for the Swiss franc and 26.44 cents for the Swedish krona showed net increases of 2 points each, while there was a 16-point advance to 25.97 cents for the Argentine peso (free rate). Among Far Eastern currencies moderate declines were registered for both Hongkong and Shanghai dollar rates.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.	Chatham, Ont.	Stratford, Ont.	St. Boniface, Man.
Halifax, N.S.	Guelph, Ont.	Woodstock, Ont.	Winnipeg, Man.
Quebec, P.Q.	Kitchener, Ont.	St. Marys, Ont.	Vancouver, B.C.
Montreal, P.Q.	Brantford, Ont.	Portage la Prairie, Man.	New Westminster, B.C.
Toronto, Ont.			

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.	Belleville, Ont.	London, Ont.	Hamilton, Ont.
Kingston, Ont.	Peterborough, Ont.	St. Catharines, Ont.	Victoria, B.C.
Oshawa, Ont.			Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.	Winnipeg, Man.	Vancouver, B.C.
Montreal, P.Q.	Edmonton, Alta.	Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Blueberries, Frozen.....	578	Chicago, Illinois.....	Agency.
Blueberries, Canned.....	579	Chicago, Illinois.....	Agency.
Sardines in Tomato Juice or Oil.	580	Mexico City, Mexico.....	Agency.
Cheese.....	581	Mexico City, Mexico.....	Agency.
Cheese.....	582	Los Angeles, California....	Agency.
Caviar.....	583	Los Angeles, California....	Agency.
Evaporated Milk.....	584	Colon, Panama.....	Purchase.
Maple Sugar and Syrup.....	585	Los Angeles, California....	Agency.
Gelatine.....	586	Caracas, Venezuela.....	Purchase.
Vegetables, Canned.....	587	Cape Town, South Africa..	Agency.
Fish, Smoked and Dried.....	588	Los Angeles, California....	Agency.
Miscellaneous—			
Fancy Goods and Jewellery....	589	Cape Town, South Africa..	Purchase and Agency.
Cotton Seine Twine (for Fishing Purposes).....	590	Panama City, Panama....	Agency.
Leather for Gloves.....	591	Rio de Janeiro, Brazil.....	Agency.
Paper Clippings.....	592	Rio de Janeiro, Brazil.....	Purchase and Agency.
Bible Paper and Royal Blue Board.....	593	Colombo, Ceylon.....	Purchase.
Publications (Books, Newspapers, Periodicals, etc.).....	594	Cape Town, South Africa..	Agency.
Cards, Greeting.....	595	Caracas, Venezuela.....	Purchase.
Printers' Supplies.....	596	Cape Town, South Africa..	Purchase and Agency.
Hobnails.....	597	Johannesburg, South Africa	Purchase.
Marine Diesel Engine.....	598	Georgetown, British Guiana	Purchase.
Saw Blades for Gang Saws.....	599	Georgetown, British Guiana	Purchase.
Whisky Barrels (used once)....	600	Georgetown, British Guiana	Purchase.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

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COMMERCIAL INTELLIGENCE JOURNAL

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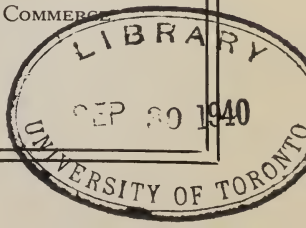
Ottawa, September 28, 1940

No. 1913



Pit Props at a Nova Scotia Mine. Canada is now supplying considerable quantities of Props to the United Kingdom.

ISSUED BY AUTHORITY OF
THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE
J. G. PARMELEE, DEPUTY MINISTER



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Vol. LXIII

Ottawa, September 28, 1940

No. 1913

BUSINESS CONDITIONS IN AUSTRALIA

R. P. BOWER, ASSISTANT TRADE COMMISSIONER

(Unless otherwise indicated values shown are in Australian pounds.)

Sydney, August 14, 1940.—The collapse of France has had a marked effect upon the determination of the people of Australia to accelerate their war effort. There were immediate increases in the number of men volunteering for military service at home or abroad, larger subscriptions to war savings certificates, interest-free loans, and gifts to the Government. The Federal Parliament was called together on June 20, and an amendment to the National Security Act was approved, giving the Government unlimited power to tax, to take over property, and to direct people's activities, including compulsory enlistment for the defence of Australia. The only material difference between the Australian measure and that passed in the United Kingdom in May is that in the Commonwealth enlistment of forces for service outside Australia is still on a voluntary basis.

The Supply Department has been reorganized, and Mr. Essington Lewis, managing director of Australia's largest steel concern, appointed Director-General of Munition Supplies. Eight directors, each of whom is to take charge of a specified section of industrial activity, have also been appointed. Groups of specialists and boards of management will operate in each state, co-operating with these directors. It is estimated that the munition program will involve an expenditure in the current fiscal year of £50,000,000 (\$177,500,000).

FINANCE

The first loan solely for war purposes to be offered to the public was for £20,000,000. Subscriptions opened on May 29, and at $2\frac{3}{4}$ per cent on the five-year bonds and $3\frac{1}{4}$ per cent on the ten- to sixteen-year bonds, the loan was soon over-subscribed. The March loan for £18,000,000 (of which £10,000,000 was for Commonwealth and State works and the balance for defence) was offered at $3\frac{3}{8}$ per cent for the five-year term and $3\frac{5}{8}$ per cent for the ten- to sixteen-year bonds.

War Savings Certificates in denominations of £1, £5 and £10 have yielded a further £12,000,000, purchasing groups being formed in factories, shops and offices to take advantage of the lending power of the small investors. In addition, the Treasury has been enriched by approximately £5,000,000 in interest-free loans and £425,000 in gifts.

The accounts for the fiscal year ended June 30, 1940, showed that £23,700,000 had been provided out of revenue towards meeting the year's expenditure on the war. A surplus of £3,000,000 resulted chiefly from larger Customs receipts in the last six months of the year, and this sum is to be devoted to war purposes.

Future revenues from Customs will reflect the decline in imports of dutiable goods resulting from the import licensing scheme. With the Government

desirous of paying for as much of the war as possible out of current revenue, increased returns from other sources become imperative. This situation presages substantial tax increases.

A statement presented by the Federal Treasurer to the House of Representatives on May 2 disclosed the initial steps to be taken to meet the increased expenditures resulting from the war effort. Additional taxation aims at raising an extra £20,000,000, of which £10,300,000 is to be obtained from indirect taxation and £9,700,000 from direct charges. Details are as follows:—

Graduated tax on companies earning more than 8 per cent on capital employed	£4,250,000
Undistributed company profits tax	450,000
Increase in income tax by approximately 50 per cent	3,000,000
Increase in estate duty	500,000
Land tax to be doubled	1,500,000
Sales tax from 6 per cent to 8½ per cent	5,000,000
Increased customs and excise duties	5,300,000

INCOME TAX

The amounts of tax which a taxpayer with a wife and one child dependent on him will pay at various levels of income are given in the following table, which shows the equivalent in Canadian currency within parentheses:—

Net Income £	Tax on Income from Personal Exertion £	Tax on Income from Property £ s. d.
400 (\$ 1,420)	2 (\$ 7.10)	2 10 0 (\$ 8.90)
500 (1,775)	6 (21.30)	9 0 0 (31.95)
1,000 (3,550)	42 (147.00)	55 0 0 (195.25)
2,000 (7,100)	162 (575.00)	203 0 0 (721.00)
5,000 (17,750)	863 (3,063.00)	972 0 0 (3,450.00)

SUNDRY TAX INCREASES

The increased sales tax became effective on May 4, while an increase of 3d. (4½ cents) per gallon on petrol and a special war duty to add 10 per cent to the rates of all other customs and primage duties were announced on May 2. This brings the duty on imported petrol to 11d. (16½ cents) a gallon and on petrol distilled from imported crude to 9½d. (14¼ cents) a gallon.

The steadily rising rate of war expenditure has caused a revision of earlier estimates of cost. On May 2, the Federal Treasurer foreshadowed war expenditure for the year 1940-41 at £79,000,000, but it is now assumed by the Government's advisers that £150,000,000 will be closer to the mark. To meet this outlay the Government would need, after allowing for probable revenue receipts, to find by borrowing or other means the sum of £100,000,000, which is equal to about one-eighth of the total national income. It is planned to launch a further war loan in September for not less than £20,000,000.

DOMESTIC TRADE

The diversion of the nation's spending power from ordinary channels to Government loans, plus the uncertainty created by anticipated tax increases, has resulted in a definite slackening of retail trade. Some lines have suffered more than others, luxury items being the hardest hit. The automobile trade has been further disorganized by the Government's announced intention to introduce petrol rationing. The scheme proposes to limit the sale of petrol to car owners according to the power of the vehicle and the use to which it is to be put, and aims at a 33½ per cent reduction in private consumption.

PETROL RATIONING

The following table shows the amounts which would be allowed to various classes of passenger vehicles, assuming the power rating to be 20 B.H.P. in all cases (this proposal may not be adopted in the form originally submitted):—

Type of Vehicle	Gallons per Month
Private car	8
Up to 50 per cent business	12
Over 50 per cent business	18
Business cars	28
Special business	62

For commercial vehicles (30 hundredweights and over) seven classifications have been made, with varying ratings according to capacity within the class. The classes are: (1) Farm vehicles (2,500 miles a year); (2) farm vehicles, where special conditions exist to justify the extra quantity (3,500); (3) suburban retail delivery, country users carrying their own goods, retail delivery in the country (5,000 miles); (4) urban retail delivery, urban users carrying their own goods, such as wholesalers, factories, etc. (7,500 miles); (5) hire and award carriers in city and country, tipping trucks, sand, metal, etc. (9,000 miles); (6) heavy hire and award carriers, special carrying, etc. (12,000 miles); (7) cases not elsewhere included, for special consideration, the necessity for which must be established to the satisfaction of the state transport authority (15,000 miles).

MOTOR VEHICLE TRADE

On the basis of the number of new vehicles registered monthly in 1938-39 equalling 100, the index for June, 1940, was 38·7 compared with 105 in June, 1939. The decline in motor car sales has affected both English and American types. In September, 1939, there were 1,566 new British cars sold in Australia (47 per cent of total sales) as compared with 943 units in June, 1940 (57 per cent) and 2,112 units in June, 1939 (46 per cent).

Before the war Great Britain exported per annum approximately 44,130 new cars and chassis and 14,275 commercial vehicles with a combined factory value of over \$55,000,000. Of that amount, Australia in 1938 purchased \$11,750,000, comprising 23,600 cars (34·5 per cent of Britain's car exports) and 4,050 commercial vehicles (28·3 per cent of Britain's exports).

During the twelve months ended June 30, 1939, Canada shipped 20,630 car chassis to Australia and 6,304 chassis for trucks, buses or other commercial vehicles. Partly to protect the value of unsold new models, the automobile industry in Australia has voluntarily agreed to import no further passenger car chassis from any source for the nine-month period beginning September 1, 1940, except for defence requirements. Truck and bus chassis are not affected by this decision, which has the unofficial support of the Customs Department.

Producer gas units to replace petrol as a fuel for motor vehicles have been in good demand at prices approximating \$300 per unit, but many prospective users are withholding orders in the belief that important improvements will be made in this type of power in the next few months.

The uncertainties of the Australian political outlook have also had an unsettling effect on domestic trade. Under the terms of the constitution, which provide for a general election every three years, the Government is going to the polls in September.

DEMAND FOR CONSUMPTION GOODS

On the other hand, the effects of the war on secondary industry and trade are now becoming apparent. A large number of factories are working to the limit of their capacities so that, unless the wage-earners contribute substantially to War Savings Certificates, or make money available to the Government in other ways, there should be a considerable increase in the demand for lower-priced luxuries, consumption goods and popular entertainment. Unfortunately from a Canadian viewpoint, few products in these categories are permissible imports from non-sterling countries to-day under the terms of the Import Licensing Regulations.

WOOL

The Central Wool Committee has published details covering the 1939-40 season. Appraisements, which were completed on June 29, totalled 3,604,316 bales valued at £59,841,898. The average price per pound for greasy wool for the season was 12·4052d. (18·6 cents). The scheme by which the Government of the United Kingdom has taken over the entire exportable surplus of Australian wool is functioning satisfactorily. It has been arranged that any profits accruing from re-sales of raw wool by Britain will be shared at the conclusion of the scheme.

Grazing conditions vary widely throughout the Commonwealth, depending principally on rainfall. Parts of Victoria are definitely in urgent need of rain, while other districts are in a satisfactory condition. New South Wales has had a prolonged dry spell, and although lambing results have been satisfactory, feeding conditions are causing some anxiety. The same conditions apply in Western Australia. In South Australia lack of rainfall has adversely affected the lamb crop, and although dry feed is plentiful, there is a shortage of green feed. Similar conditions exist in Tasmania.

BUTTER AND CHEESE

Butter production in Australia reflects the generally unsatisfactory pasturage conditions. For the five weeks ended June 15 gradings of butter in the various states as compared with the corresponding period of 1939 were as follows:—

	1939 Tons	1940 Tons
Total	8,818	3,956
New South Wales	1,259	117
Victoria	2,472	682
Queensland	4,739	3,052
South Australia	295	90
Western Australia	6	15
Tasmania	47	....

A detailed report on the butter and cheese industries in Australia appeared in *Commercial Intelligence Journal* No. 1909, August 31, 1940.

WHEAT

The outlook for the ensuing wheat harvest is not promising, but general rain throughout the agricultural districts would lead to a substantial improvement in prospects.

EXTERNAL TRADE

The closing month of the fiscal year witnessed a heavy volume of imports, partly the result of orders placed to build up stocks against future eventualities overseas, and partly the result of a rush to land "prohibited" goods before the closing date for their admittance.

IMPORTS

Goods imported during the five months ended May, 1940, were valued at £stg.58,000,000 as compared with £stg.40,300,000 during the corresponding period of the year before. About one-half of the increase may be accounted for by higher prices, and the balance by increased quantities, largely of defence items.

As the Commonwealth must find in the neighbourhood of £stg.20,000,000 this year to provide for the overseas interest commitments of the various government and public bodies, the favourable balance which will result from the year's overseas trade does not represent a favourable balance of payments. Import restrictions against goods of "non-sterling" origin have been in effect since December 1, 1939, in an effort to conserve the country's supply of dollar exchange for the purchase of essential war materials. Additional restrictions imposed

as from July 1, 1940, are designed to save additional non-sterling exchange and to help correct the unfavourable balance of payments.

At present, restrictions varying from 100 per cent to 25 per cent are applied against a wide range of commodities when of "non-sterling" origin, and virtually every luxury or semi-luxury line from Canada is affected. Items are deemed to be non-essential from non-sterling sources if adequate supplies are available locally or from sterling sources. No general relaxation in these restrictions can be expected in the near future, while there is every chance that they will be made more severe.

Future import figures should show the effects of petrol rationing, since £stg.6,271,000 was expended on petrol and £stg.1,270,000 on lubricating oil during the ten months ending April 30, 1940.

Of the goods valued at £stg.58,000,000 imported during the first five months of the current calendar year, producers' materials for building and construction, for rural industries, and for manufacturing accounted for 46 per cent; fuels and lubricants for 9 per cent; producers' equipment also for 9 per cent; road vehicles and complete parts for $7\frac{1}{2}$ per cent; railway equipment, vessels and civil aircraft for 0.6 per cent; food beverages and tobacco for 6 per cent; clothing and accessories for 0.8 per cent, and all other finished consumer goods for 13 per cent. Final figures on Canada's trade with Australia have not yet been released, but it is certain that the value of imports will be higher than that of £stg.7,724,269 recorded in the previous year and that exports, which were valued at £1,993,522 in the preceding year, will also have a greater value.

EXPORTS

The general export price index, based on 1,000 for the values existing in 1928-29, stood at 850 in May as compared with 765 when the war began and 649 in May, 1939. These figures indicate that the physical volume of exports has not increased to the same extent as the value.

Every effort is being made to interest Australian manufacturers and exporters in the possibilities of increasing trade with Eastern markets. A number of importers from the Dutch East Indies and other centres of the East have already visited Australia with the object of locating suppliers to replace those cut off by hostilities in Europe. Australia is a logical source of many of the East's requirements, and it is probable that the present situation will awaken an interest in this country that has been more or less dormant to date.

COMMODITY AND STOCK PRICES

On the basis of prices in 1928-29 equalling 1,000, the index covering wholesale prices during May stood at 1,004 as compared with 893 in May, 1939, and 903 at the beginning of the war. All groups of commodities showed increases, the greatest change being in rubber and hides, which advanced from 805 in July, 1939, to 1,179 in May, 1940. Oils, fats and waxes increased from 946 to 1,274, and foodstuffs and tobacco from 904 to 979. The index for imported goods during this period increased from 1,077 to 1,337, while home-produced goods moved from 828 to 897.

Stock market quotations have moved within narrow limits since war broke out, the index figure for May, 1940, being 1,091 as compared with 1,079 in September, 1939. The cost of living index, based on 1928-29 equalling 100, stood at 93.5 in June, 1940, as against 89.9 in June, 1939. Basic wage rates automatically increase with increases in the cost of living index.

BUILDING

Building permits issued during April totalled £2,294,000 as compared with £2,031,000 for April, 1939. This figure covered 1,625 new dwellings, 117 other

buildings and 412 alterations and additions. Building permits for the first ten months of the fiscal year amounted to £21,600,000 as compared with £23,117,000 for the corresponding period in 1938-39. Brick manufacturers are fully occupied and the demand for timber is steady, although the high prices are tending to limit the erection of wooden houses.

TRANSPORTATION

The average net monthly revenue earned by the five mainland State railways during the first nine months of the present fiscal year was £977,000 per month, and the average monthly tonnage carried by the mainland State and Commonwealth Railways was 105,270 tons, which was 98 per cent of the average monthly total freight carried in the 1928-29 fiscal year.

Interstate shipping during the first eight months of the present fiscal year carried 6,468,000 tons of cargo as compared with 5,792,000 tons during the equivalent period of the previous year. For the same periods, overseas cargoes discharged amounted to 4,061,000 tons and 4,337,000 tons, respectively, and cargoes shipped to 4,009,000 tons and 3,583,000 tons.

On April 30 a weekly airmail and passenger service was inaugurated between Sydney, New South Wales, and Auckland, New Zealand. The time taken for the flight averages ten hours as compared with 84 hours by any of the regular passenger vessels. Connections are made every fortnight with the American Clipper ships flying between Auckland and San Francisco. Effective August 15 the Trans-Tasman service will be changed to a fortnightly schedule.

BANK DEPOSITS AND LOANS

Deposits in Australian trading banks at the end of June, 1940, amounted to £345,000,000 as compared with £318,000,000 one year earlier. Advances in the same periods were £289,900,000 and £291,700,000, respectively. The weekly average of bank clearances during June, 1940, at the six capital cities of Australia was £55,800,000 as compared with £42,500,000 in June, 1939. Deposits in savings banks at the end of June amounted to £236,998,000, a decrease of £8,589,000 as compared with the corresponding period in 1939, doubtless a diversion of savings to War Savings Certificates.

AUSTRALIAN WHEAT AND FLOUR

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, August 15, 1940.—Adverse moisture conditions have been and continue to be experienced throughout the Australian wheat-growing areas. From reports received by the Australian Wheat Board from all the wheat-growing states, it would appear that, even though the rainfall were normal from now until the end of the growing period, the yield for the ensuing season will be about 100,000,000 bushels below last year's production of 210,160,000 bushels. The annual level of production during the past ten seasons averaged 177,000,000 bushels. Only South Australia, with an average annual production of 36,000,000 bushels, is expected to produce a normal harvest. New South Wales, with an average annual production of 60,149,000 bushels, will require favourable conditions to produce 40,000,000 bushels.

Reports from Melbourne are to the effect that the lack of adequate rain during the seeding season has struck another serious blow to the wheat industry, already labouring under difficulties arising from a long series of unremunerative seasons.

WHEAT PRICES

For twenty years, 1919 to 1939, the average price of wheat was 4s. 9½d. a bushel, and the average yield per acre 13·27 bushels. For the first 10 years

the average price was 6s. a bushel and the yield 13·6 bushels; for the second period the average price was 3s. 6d. a bushel and the yield 12·8 bushels. The real crisis is said to have occurred in 1930-31, when the yield was 11·7 bushels and the price 2s. 6d. For the previous year the price was 4s. 4d., but the yield only 7·13 bushels. The yield for the 1938-39 season, as the result of drought conditions, was 10·83 bushels while the price averaged only 2s. 4½d. Since the outbreak of war and the appointment of the Australian Wheat Board to deal with the wheat crop, there has been a marked rise in the average price, from 2s. 1d. in August, 1939, to 4s. in June, 1940. The average price for the first seven months of the 1939-40 season was 3s. 9½d., with an average yield for the season of 15·83 bushels. These prices are at Melbourne, and the amount received by the farmer is subject to an average reduction of 4½d. per bushel for freight.

PROPOSED CHANGE IN POLICY

In a recent statement to the House of Representatives concerning the wartime agricultural policy of Australia, the Minister for Commerce, when dealing with the wheat industry, revealed a state of affairs not particularly heartening to wheat-growers. He stressed the fact that owing to the restricted markets now open to Australian wheat, growers should not be encouraged to produce as much as they could in the expectation that the Commonwealth Government would make up the difference between market realizations and some figure which might be mentioned as the cost of production. He suggested also the need for greater diversification of pursuits by wheat-growers and other farmers and for a new system of husbandry which would lead to smaller annual wheat acreage and introduction of more stock and fodder crops.

An acquisition scheme, based on that under which the Australian Wheat Board took over the last harvest, may be proposed by the Government in connection with the next harvest. In some quarters support is being given to the appointment of a Director of Food Supply to foresee the needs of the Empire and organize Australian primary industries so that their resources might be used to full advantage.

FLOUR

The production of flour by mills in Australia during the year ended June, 1939, amounted to 1,372,732 tons of 2,000 pounds valued at £A9,371,906. This quantity of flour, which exceeded the output in any previous year, was milled from 67,000,000 bushels of wheat. Exports of flour during the same period amounted to 725,065 tons or 52·8 per cent of the total production.

Particulars of operations of flour mills in Australia during recent years are shown hereunder:—

	1936-37	1937-38	1938-39
MillsNo.	166	168	172
Persons employedNo.	3,580	3,597	3,783
Wheat milled:			
QuantityBus.	59,169,864	60,010,744	67,000,000
Value£A	14,128,202	14,055,446	9,921,641
Output of flour:			
QuantityTon	1,228,779	1,250,930	1,372,732
Value£A	13,194,866	12,811,346	9,371,906
Output of bran:			
QuantityTon	265,813	258,719	289,400
Value£A	1,630,991	1,631,539	1,560,990
Output of pollards:			
QuantityTon	253,374	266,879	284,077
Value£A	1,615,833	1,775,807	1,543,329

The present rate of flour tax, being the amount by which the price per ton of flour (based on the price of wheat per bushel f.o.r. Williamstown in the State of Victoria on July 31, 1940) is less than the price of flour would be if the price of wheat were 5s. 2d. per bushel, has been fixed at £A1 18s. 5d. per ton.

MR. DUCLOS' TOUR OF CANADA

Mr. V. E. Duclos, Canadian Trade Commissioner at Shanghai, China (whose territory includes Central China and North China), is on tour in the Dominion in the interest of Canadian trade with his territory.

Following is his itinerary:—

Toronto and district	Sept. 30 to Oct. 10	Stratford	Oct. 18
Hamilton and		Ingersoll	Oct. 19
Niagara Falls	Oct. 11 and 12	London	Oct. 21
Brantford and Paris	Oct. 15	Walkerville and Windsor .	Oct. 22
Galt and Guelph	Oct. 16	Ottawa and district	Oct. 24 to 26
Kitchener	Oct. 17		

Canadian firms who wish to be brought in touch with the Trade Commissioner should communicate, for Toronto, with the Canadian Manufacturers Association, and for the other centres, with the respective Board of Trade or Chamber of Commerce.

CONDITIONS IN THE NORTH OF ENGLAND COAL, IRON AND STEEL, SHIPBUILDING AND CHEMICAL INDUSTRIES IN 1939

A. E. BRYAN, CANADIAN TRADE COMMISSIONER

COAL INDUSTRY

Liverpool, August 10, 1940.—Coal mining in the North of England showed an appreciable improvement at the end of 1939 as compared with December, 1938, when the output was lower than in any corresponding month since 1934. The unfavourable political situation in Europe, together with intensification of rearmament and the accumulation of stocks, gradually affected the industry, and by the end of June the output of coal in Great Britain showed an increase of 6,763,000 tons over the last half of 1938. In the 34 weeks ended August 26 a total of 155,259,000 tons of coal was produced as compared with 152,611,000 tons during the same period in 1938. Productive capacity up to October 28 was increased by a net gain of 94 mines and 12,752 wage-earners employed. Although the trend of prices was downward during the first part of the year, wages and other charges increased, and profits for the first half of the year were higher than in the corresponding period in 1938. Owing to the increased cost of living, wage increases were granted the workmen, and as a result the Government finally authorized an increase in the price of coal.

In the West Yorkshire district 12,635,000 tons of coal were produced for the year ended September 30, 1939, which was an increase of some 275,000 tons over the same period of 1938. After the outbreak of hostilities, there was an upward tendency, which promised, if maintained, to raise aggregate output to a much higher level than in the past two years.

Many collieries in Durham were operating on short shifts at the beginning of 1939. Towards the end of March there was a marked improvement, due to heavy buying by Germany and Italy, which led to forward contracts from other countries anxious to secure their supplies. Durham also benefited from the strike in the United States in May, which accounted for increased demand for coking coal throughout the summer. In South Yorkshire no improvement was noticeable until the outbreak of war, when idle blast furnaces came into commission. Trade in industrial fuel was better, and the consumption of house coal was up to average. Some improvement was shown in the export trade.

In Lancashire, Cheshire, and North Wales the collieries are more dependent on the demand for house coal, the market for which was strong throughout the

year, in fact there was a shortage. Towards the end of the year, owing to the severe winter, transport difficulties were encountered, and the demand assumed large proportions which could not be met promptly. The coke trade also improved after October 1 and coastwise bunkers were up to average throughout the year.

At the end of 1939 the number of insured unemployed miners was only 8.5 per cent as compared with 14.4 per cent at the end of 1938, 14.6 per cent in December, 1937, and 22.2 per cent in December, 1936.

IRON AND STEEL INDUSTRY

A remarkable improvement occurred in this industry during the year. Conditions were not very favourable in January, but the speed-up in rearmament soon caused production to reach record levels. The steel industry was favourably affected by the Government's plan to assist shipping and shipbuilding. As a result of government contracts for rearmament work, there was a tremendous increase in the demand for structural steel for the enlargement of plants. At the outbreak of war the industry was at once placed under the control of the Ministry of Supply, and a system of priorities was instituted to meet the requirements of the various services, home defence and industries of national importance. Deliveries to commercial users and exporters were licensed.

Employment in the iron and steel industry also showed noteworthy improvement. From 21.5 per cent of insured employees out of work at the end of December, 1938, the number of unemployed decreased gradually throughout the year, and by the end of December, 1939, only 5.8 per cent of the steel workers were looking for work.

No figures are available since the opening of hostilities, but during the first eight months of 1939 imports of iron and steel and manufactures amounted to 1,148,000 tons as compared with 1,110,000 tons in the corresponding months of 1938. During the same period exports amounted to 1,211,000 tons as compared with 1,280,300 tons in 1938.

PRODUCTION

In July, the last month for which statistics are available, steel output was the highest recorded for that month in any year. At 1,153,000 tons it exceeded by 94,000 tons the previous July record, that of 1937. The total compares with 1,175,000 tons in June, showing an unusually small seasonal decline, and with 683,000 tons in July, 1938. During the period between July and September some decline in total output is general. After a year in which plants have been operating virtually at capacity, a reduction of as much as 100,00 tons in July would not have been surprising.

A view prevails in steel trade circles that output could still further be increased beyond the present rate of about 14,000,000 tons per annum, and what is sometimes referred to as the "target" output is given as 14,700,000 tons; but at that high rate it is difficult to compute how long it would be possible to maintain the strain.

In July, 1939, the output of pig iron reached 743,600 tons as compared with 715,700 tons in June. Allowing for the longer working month (31 days against 30) the daily rate improved from 23,860 tons to 23,970 tons. The July output at 743,600 tons was 27,900 tons greater than that of June and 235,800 tons above that of July, 1938. The pig-iron production in July included 112,100 tons of hematite as compared with 111,200 tons in June, 501,000 tons of basic as against 476,500 tons, 103,800 tons of foundry as against 98,600 tons, and 15,700 tons of forge pig iron as against 15,400 tons.

SHIPBUILDING

The transition of shipbuilding from peace to war was successfully accomplished and the whole industry organized to meet the immediate and vital needs of the nation. Its resources have been marshalled in accordance with plans long made to meet such eventualities and shipbuilders may claim to have anticipated the conditions the industry has to face.

Passage of the British Shipping (Assistance) Bill, which sanctioned Parliament to lend up to £10,000,000 in respect of the building in Great Britain of cargo vessels ordered after March 28, 1939, and laid down within two years from the commencement of the Act, resulted in the infusion of new life into the shipbuilding industry. The first tonnage built under this government scheme was commissioned about the time war broke out. Last summer construction was commenced upon 402,080 tons, showing the notable increase of 330,934 tons over the corresponding total for the first quarter.

It is impossible to give details of the volume of tonnage now building other than to say that all yards are fully occupied and the chief concern of the shipbuilders is to secure the maximum production of tonnage.

SHIPPING

Although the figures of shipping entering and clearing British ports for the full twelve months of 1939 are not available, it is interesting to note that for the year ending July 1 the total volume coming to the Mersey was slightly below the 1938 record figure of 22,097,755 tons, but that the tonnage entering the docks rose by 78,000 and at 16,689,819 constituted a record for the Port of Liverpool. Compared with the year ending July 1, 1933, the total trade of the Mersey had increased from 18,758,839 tons to 21,724,050 tons, approximately 16 per cent, while the coasting trade, including the cross-channel services to Ireland, had increased from 3,657,133 tons to 4,515,601 tons, or by approximately 23 per cent.

As in all other activities, the war overshadowed every other consideration in the shipping trade, the aspect of which was completely changed overnight. In fact, it was only the outbreak of war which could have caused the trend of freight rates to veer round suddenly in the owners' favour after having been in the shippers' favour for the previous several years. The problems of finding sufficient employment and obtaining anything like a remunerative rate, which had become acute just prior to the declaration of hostilities, were suddenly wiped away, and owners were confronted with an entirely different set of problems. One of the chief problems was how to adjust freights in order to cover the greatly enhanced war-risk insurance charges and increased costs. Great relief was felt at the prompt action of the Government in taking over control of all British shipping immediately following the outbreak of hostilities.

The export of coal created a brisk business in shipping almost immediately with those countries which found themselves short of supplies on account of stoppage of shipments from Germany and Poland. The British Government became the only buyers of grain for the United Kingdom, shipping firms and charterers acting as their agents.

Although fixing was quiet just before the war, with freights ruling at about 30s., tonnage was fixed soon afterwards on government accounts at 32s. 6d. on the basis of up-river to picked ports in the United Kingdom; while in October neutral shipping secured upwards of 40s., business being active, although in the national interest not all the fixtures or all the details were disclosed.

Grain chartering from the St. Lawrence was poor at the start, commencing very late in the season with freights before the war at a figure of 2s. 9d. By October, however, active chartering was in evidence at the Board of Trade's rate of 4s. 6d. to the United Kingdom.

The greatly augmented shipbuilding program in the United Kingdom created a much stronger demand for tonnage to load lumber and general cargo from the North Pacific coast to the United Kingdom, for which rates were steadily held, while lumber was also fixed from Canada to Britain in larger quantities than usual.

Wheat fixing from Australia suffered in common with other grain exporting countries, and the reduction of 1s. in the minimum rate in March, 1939, did nothing towards reviving the market. By mid-October, however, a revival was under way, with Allied tonnage being fixed at the committee's rates.

An unusually early start was made with maize chartering from South Africa in January, and this was comparatively active during the first half of the year, rates being affected during the second quarter by an influx of ballasters from the Plate. Fixing then slowed down and did not get into its stride again until mid-October, when considerable bookings on government account were noted.

ENGINEERING

Even before the outbreak of war there was intense activity in almost every branch of the engineering industry in the North of England, due to the gigantic rearmament program. There appeared to be reasonable grounds for anticipating a period of steady demand without any suggestion of a boom. Since the outbreak of war, ordinary commercial and export business has been secondary to military needs, resulting in a decreased overseas business. About 80 per cent of the industry's output is for military purposes and 10 to 15 per cent for domestic requirements, leaving only from 5 to 10 per cent available for foreign customers.

The proportion of insured workers unemployed at the end of 1939 had fallen to 3.2 per cent in general engineering as compared with 8.5 per cent in January. Unemployment is therefore practically non-existent, and further expansion is possible only as new labour can be obtained and trained.

The machine-tool industry worked at full capacity throughout the year, as would be expected in view of the large quantity of tools required for the manufacture of armaments both here and overseas. Aircraft engineering was even greater than anticipated, and the output of aero engines and other equipment increased greatly.

Mechanical engineers had a very busy year. Existing plants were extended to take care of increased war production, important locomotive orders were booked for some of the Dominions, and a great deal of electrification work was done on the British railways.

Conditions in the textile engineering industry were unfavourable up to the end of August. The export of machinery was considerably reduced, as foreign customers deferred placing orders, pending settlement of the international situation. The demand for cloth for uniforms had created some additional demand from the home trade for machinery to adapt plants to the type of work required for the Government. On the other hand, in order to assist in the production of munitions, many of the textile machinery firms had already changed over part of their plants to munition work, thus providing employment for many men who otherwise would have been thrown out of work. Later in the year, the demand for skilled workers by the aircraft factories caused a shortage in labour, and the net effect on the textile engineering trade was rather unfavourable. Export business was further depressed, but the trade is hopeful for opportunity to capture some of the markets for textile machinery previously catered to by Germany.

Manufacturers of electrical equipment have been consistently busy and have benefited from the government decision to accumulate reserves of electrical

plant and equipment against possible war damage. In addition these firms had many orders on their books, reflecting the improved industrial outlook and the increased demand for electrical power imposed upon utility corporations and individual units.

Marine engineering establishments began 1939 short of work. It was not until the government shipbuilding scheme was announced that orders for marine power units became numerous.

CHEMICAL INDUSTRY

During the first six months of 1939 the chemical industry in the North of England recovered from the trade recession of 1938. Dyestuffs opened the year badly, January being a particularly depressing month. The loss of exports by the cotton trade meant lower purchases of dyestuffs, and in general buying in the textile industry was confined to immediate requirements. During the spring months, however, rapid improvement took place, and figures in June showed an improvement not only on April but also on the corresponding months of 1938. By July trade was normal, and sales for the first half of the year showed a substantial advance as compared with those for the first six months of 1938, partly due to government orders for clothing and improvement in the Lancashire cotton trades.

Alkalis, heavy chemicals, and chlorine products showed an increase in consumption as compared with the same months of 1938, and the demand for sulphuric acid also showed an increase. The demand for chemicals for the rayon industry recovered by spring, and at the outbreak of war registered a substantial improvement. On the other hand, although much emphasis had been laid on the necessity for increasing agricultural production in the national emergency, the year began with home sales of fertilizers showing a decline, a condition which continued almost up to the outbreak of war.

The demand for coal-tar products was also slack at the beginning of the year, except for benzol and naphtha. There was a general decline in values, which continued for the greater part of the year; the same applies to the wood distillation industry. On the other hand, pharmaceutical products showed a steady increase up to the end of the year.

Since September the chemical industry has been on a war footing, and it has been necessary to increase the tempo and volume of work.

CHRISTMAS TREE MARKET IN THE UNITED STATES IN 1939

C. H. WEST, ASSISTANT TRADE COMMISSIONER

New York, September 5, 1940.—Nearly half a million more trees were shipped into the United States during the 1939 Christmas season than in that of 1938, and this increase had an inevitable effect on the market. The reaction did not approach, however, the disastrous conditions of 1937, when imports reached an all-time high of 5,299,229 trees and in New York alone 30 cars were left on the tracks unsold. Furthermore, while some markets, including New York and Philadelphia, were definitely over-supplied in 1939, Chicago and other cities were able to report that on the whole it had been a satisfactory season for the dealers.

In 1939 there were imports of 4,643,961 trees valued at \$536,692. All of these shipments were credited to Canada. These figures compare with imports of 4,220,405 trees valued at \$438,092 in 1938. In the latter were included shipments of 276,027 trees worth \$22,420 from Newfoundland.

Better weather conditions for cutting and trucking in the eastern Canadian provinces were an important contributing factor in the increased shipments during 1939. Shippers undoubtedly were also influenced by the satisfactory returns received in 1938, which was one of the more successful seasons of recent years.

It has been pointed out that the results obtained in the various eastern markets for Canadian trees were not uniform. Accordingly a short review is given of the market conditions last season in representative cities of the East.

NEW YORK

One of the largest importers of Christmas trees reported that the market in New York had been the most unfavourable in five or six years. That statement seems to be supported by official information. As compared with 472 carloads in 1938, there were total arrivals of 546 carloads in 1939. Some of these shipments came by boat and truck and it is said that the arrival of a boatload of trees from Canada shortly before Christmas was the immediate cause of the slump in prices that occurred. A boat may hold upwards of 90 cars of trees and experienced dealers claim that quantity is too much for any market to absorb at one time.

Prices opened on December 8 with a few sales of Nova Scotia balsam at \$3 to \$3.25 per bundle. Other kinds and qualities ranged down to \$1.75. By Tuesday, December 19, signs of weakness appeared, Nova Scotia trees being quoted as low as \$1.75. This trend continued through the week, and by Friday, December 22, prices were down to 50 cents and even less.

PHILADELPHIA

In Philadelphia practically the same situation existed as in New York. Receipts were 210 carloads, of which 102 originated in Quebec, 16 in New Brunswick, and eight in Nova Scotia. In 1938 receipts were 179 carloads.

In addition to the 210 carloads mentioned, 40 carloads arrived by water. All of the latter were reconsigned, but the boat shipment is said to have completely depressed the market.

PITTSBURGH

Receipts at Pittsburgh totalled 107 carloads, which was the same as in 1937 but exceeded the 1938 arrivals of 85 carloads. Only 17 cars of the 1939 arrivals were from Canada and of these eight came from British Columbia, seven from Quebec, and two from Nova Scotia. Vermont was the largest source of supply with 70 cars.

Opening prices on December 12 were \$1.25 to \$1.50 per bundle for Vermont spruce and Montana balsam, while fir from the west coast was quoted at \$1.60 to \$1.75. By December 19 spruce and western fir were down about 25 cents per bundle, with balsam holding at the previous level, and Canadian fir was selling for \$1 to \$1.25. Last market quotations on December 22 showed spruce and balsam mostly at 50 cents to \$1 and western fir generally at 75 cents to \$1.

BUFFALO

Carlot receipts of Christmas trees at Buffalo in 1939 totalled 47 cars as compared with 48 cars in 1938. The imports accounted for approximately 35 cars, mostly from Quebec. In addition, the equivalent of 25 cars arrived from Canada by truck. Most of the truck receipts were of Scotch pine.

Opening prices of \$1.50 to \$2.25 per bundle for Canadian balsam and spruce failed to hold and during the three days prior to the holiday the market

was unsettled and very much in the buyers' favour. Several cars were reported not even to have been touched by the receivers, representing a total loss to the shipper. The same conditions prevailed for other varieties.

BALTIMORE

From 35 to 42 cars generally fill Baltimore's requirements. During the 1939 season 54 cars were received as compared with 35 cars in 1938, and two carloads were left unsold after Christmas. Twenty-one carloads originated in Canada and 15 in Maine, practically all of the remainder being from other north-eastern states. One car each, however, came from Wisconsin and Minnesota, and three cars from Virginia. In 1938 only 10 cars were of Canadian origin.

Due to the over-supply, prices on spruce, which opened at \$1.10 to \$1.25 per bundle, gradually declined to as low as 25 to 75 cents. Balsam from Maine and Vermont opened at \$1.25 per bundle and Canadian balsam at \$1.65 to \$1.75, both gradually declining until they reached 50 cents to \$1.

DETROIT

Christmas tree deliveries at Detroit amounted to 27 cars as compared with 30 cars in 1938, Detroit being one of the few places where receipts were less than in the preceding year. Of the Canadian deliveries of seven cars, four were from British Columbia, two from Ontario and one from New Brunswick. In 1938 there were 15 cars from Canada.

Sales opened on fir from Washington and Montana at \$1 to \$1.40, on Vermont spruce at \$1 to \$1.25, and on Vermont balsam at \$1.75. By December 21 balsam from all sources, including Canadian, was still reported at \$1.50 to \$1.75, with poorer grades selling as low as \$1 to \$1.25. The demand thereafter was slow with few sales.

CLEVELAND

Receipts of 72 cars at Cleveland in 1939 considerably exceeded arrivals in 1938, which amounted only to 54 cars. Canadian shipments totalled 21 cars, Nova Scotia being the largest supplier with nine cars, followed by Quebec with seven, Alberta with four, and New Brunswick with one. Vermont (24 cars) and Montana (13) were the two leading domestic sources of supply.

Opening prices on December 11 were: balsam and fir, \$1.50 to \$2; spruce, \$1.25 to \$1.75. The market was fairly well sustained and on the last selling days before Christmas balsam was bringing \$1 to \$1.75 for the better quality, and fir and spruce \$1 to \$1.50.

CHICAGO

As mentioned at the beginning, wholesale dealers in Chicago had a very satisfactory season. Some retailers stocked up too heavily, but generally speaking all engaged in the trade enjoyed a successful season. Car unloads totalled 210, of which 62 carloads were from Canada, as compared with unloads of 178 cars in 1938 with 79 cars originating in the Dominion. In addition to the rail receipts a number of truck loads of trees reach Chicago from Michigan and Wisconsin, but because of their widespread distribution throughout the city, it is impossible to obtain an accurate record of such arrivals.

On December 7 the demand in Chicago was reported as slow with the market about steady. Canadian as well as New England and northern balsam was selling in small lots at \$1.50 to \$2. A week before Christmas the market was slightly weaker and balsam was quoted up to \$1.50 with poorer qualities

going for \$1, and fir from \$1.25 to \$1.50. On December 22 the market remained firm on best stock, Canadian and New England balsam of generally fair quality selling for \$1.25 to \$1.50, and Montana fir and balsam of fair to good quality up to \$1.75.

TYPES OF TREES IN DEMAND

Balsam fir is the most popular species in the East for the Christmas trade, with an apparent preference for trees from Nova Scotia, although New Brunswick and Quebec balsam also have a substantial sale. This species is preferred because of its quality and pyramidal shape. From the standpoint of the dealer it can be more readily bundled for shipment.

Spruce can also find an outlet, but it is generally quoted at a considerable discount, at least in so far as New York is concerned. There is a certain movement of Scotch pine, especially to border cities adjoining Ontario. As already noted, during the 1939 season some 25 carloads of Scotch pine were shipped into Buffalo.

It is noteworthy that in the past several years Douglas fir trees have been growing in favour and are now moving to central and eastern United States markets. Out of total Canadian unloads of 62 cars at Chicago in 1939, 24 cars came from British Columbia. In the previous year 27 cars came from British Columbia. Of course, these shipments were not necessarily all Douglas fir.

The use of so-called "table" trees appears to be increasing. For instance, during last season two carloads of such stock were received in the Boston market. A firm of nurserymen in Wisconsin have made shipments of table trees, which have stands or bases already affixed and which come in boxes of 24, 30, 36, 42 and 48 trees. The usual outlets for small trees of this nature are chain stores, etc., where they can be sold across the counter.

Some dealers think the trade in natural trees has been affected by the sale of artificial trees, in the same way that artificial wreaths have competed with genuine holly wreaths. It is doubtful, however, if any such threat need be regarded seriously as yet.

DISTRIBUTION

Most trees are still shipped by rail both in open cars and box cars. The latter are used to the greatest extent, however, because they afford better protection against smoke and dirt, and the trees do not dry out so quickly. The freight rates on Christmas trees to New York from several representative points in Canada are: Montreal, 49 cents per 100 pounds; Caraquet, New Brunswick, 79 cents; Bridgewater, Nova Scotia, 84 cents. The minimum weight of a carload is 24,000 pounds.

No demurrage is charged on Christmas trees for 48 hours following their arrival in New York. Thereafter it is at the rate of \$2.20 per car daily for four days, after which the rate increases to \$5.50 for each succeeding day, Sundays and holidays excluded. Any trees remaining after Christmas are immediately destroyed by the railway company.

It is customary for unloading charges to be fixed each season, and in New York these have averaged about 10 cents per bundle.

The use of trucks for distributing trees has been increasing, but as such deliveries are often taken directly to customers or retail outlets no record is made of these receipts. There is also a small movement by water. Mention has been made of boat receipts last season at New York and Philadelphia; in addition a few carloads were received at Boston by water from Yarmouth, Nova Scotia. Dealers do not seem to favour shipment by boat, however, because of the likelihood of heating. Further, as has been pointed out, when large consignments are received in this way at one time the market concerned is likely to be adversely affected.

The duty on Christmas trees is 5 per cent ad valorem under the Canada-United States Trade Agreement.

SELLING METHODS

Some of the larger operators send buyers to Canada in the late summer to purchase the trees standing; these buyers (or other representatives) return later in the fall to hire workmen for cutting and bundling the trees. The butts are required to be cut straight across and the bundles contain upwards of seven trees, depending on the size. The most popular height is about five to six feet.

Another practice is to arrange for the purchase of trees delivered at the railway siding. Some shippers also make contracts in advance for sale on an outright basis to responsible dealers in the United States.

There has been some criticism of the practice first mentioned on the ground that the workmen are not sufficiently well paid, and that the cutting is done in such a way as to be detrimental to the continued production of quality trees. Again, in selling for a fixed price the shipper sacrifices the opportunity of making a larger profit if the season should turn out especially favourable.

This office consistently refuses, however, to recommend shipments on consignment, although it recognizes that this is still a common practice. The market is quite unpredictable, and with freight and duty already charged to him the shipper may find that his trees will practically have to be given away in order to avoid additional expense for demurrage, if there is a sudden break in the market. As evidence of good faith on the part of the receiver who wishes to handle trees on consignment and so that he will also have a stake in the enterprise, the shipper might at least demand that the former advance all or part of the freight and duty.

Lists of possible buyers of Christmas trees are on file at the Department of Trade and Commerce, Ottawa.

POSSIBLE MARKET FOR HOMESPUN YARNS IN THE UNITED STATES

J. P. MANION, ASSISTANT TRADE COMMISSIONER

New York, September 12, 1940.—The Tourcoing-Roubaix-Lille section of France has always been one of the world's most important suppliers of specialty woollen tissues for the high-class dressmaking trade. The greatest influence in this trade has been the great French firm of Rodier, who organized the home craftsmen of that region so that each could undertake independent small orders. The essence of the trade was its decentralized character, since each craftsman had his own ideas of weaving, and the small output of any one particular cloth provided the wide diversity of tissues which had much to do in making Paris the world's fashion centre.

Because this section of France is now in the occupied zone, the United States no longer hopes or expects to obtain further supplies of these specialties. But because the world centre of fashions for a similar reason is now tending to gravitate to New York, United States requirements in specialty cloths will be greater than ever.

Eastern Canada has a home-spinning and home-weaving industry which should be in excellent position to take advantage of this trend. Although the sale of woven goods would undeniably bring greater profits to this industry, it is doubtful whether Canadian producers should make their first entry on this market with tissues. Through comparative isolation from world movements,

Canadian home tissues have taken on certain definite characteristics which would fit them to a relatively small range of uses.

Yarn, on the other hand, can be spun in an infinite number of variations and this is exactly the requirement of this particular market.

Because of this consideration, it is undesirable to give any indications as to any particular type of yarn which could find a ready market. It would be much better for each individual spinner to proceed by the method of trial and error, submitting sample yarns to the Canadian Trade Commissioner, 620 Fifth Avenue, New York, or to handicrafts organizations which might be prepared to handle such business. Needless to say, such samples should not be submitted unless they could be faithfully reproduced as to quality, texture, weight and colour, in the required amounts. It is impossible to state beforehand what these amounts would be because of the varying weights of the cloths produced, but generally it may be said that specialty weavers are unwilling to produce more than between 30 and 120 yards of any type of cloth (depending on the uses to which it is put), as greater amounts detract from its exclusiveness.

Merely as a measuring rod to first efforts in this direction, it might be stated that the New York trade would be interested in receiving samples of multi-coloured yarns, with flecks, suitable for weaving into tweeds. This suggestion is merely made because it is a form of yarn already well known to home spinners in Canada.

MARKET FOR DRY SALT COD IN CUBA

MAURICE BÉLANGER, ACTING CANADIAN TRADE COMMISSIONER

Havana, September 5, 1940.—A report on the market in Cuba for dry salted codfish was published in *Commercial Intelligence Journal* No. 1679, April 4, 1936. A discussion of the Cuban market is also included in the extensive report entitled "Reports on Markets for Dried and Pickled Fish," prepared by Messrs. O. F. MacKenzie and F. Homer Zwicker in 1938 and published by the Department of Fisheries, Ottawa. The situation as outlined in these reports did not change radically until recent months, when certain important European and Scandinavian countries were either completely shut off from the market (as in the case of Norway and Denmark) or were threatened with having to curtail shipments, due to increased freight and war insurance costs, as in the case of the United Kingdom and Iceland.

Following is a review of the situation based on previously published reports, with emphasis on recent developments.

EXTENT OF THE MARKET

Cuba has always been an important market for dry salted codfish. In the early years of the present century Canada enjoyed by far the larger share of this trade, but in more recent years strong competition, first from Norway, subsequently from Iceland and the United Kingdom, and still more recently from Newfoundland, has tended to reduce the percentage imported from Canada.

The following table shows imports of dry salted cod from 1928 to 1939, inclusive, from main supplying countries:—

Imports of Dry Salted Cod and Stockfish into Cuba by Countries

Year		Canada	Norway	Newfound- land	United States	United Kingdom	Denmark and Iceland	Other Countries	Total
1928.....	.....Kgs.	5,248,766	5,442,536	.....	1,158,695	917,712	18,806	185,334	12,971,869
	\$	1,028,020	1,101,721	.....	233,931	154,148	3,271	34,094	2,555,185
1929 .....	.....Kgs.	4,206,803	6,071,750	.....	1,006,300	1,796,653	2,457	26,189	13,384,730
	\$	795,454	1,146,329	.....	212,479	313,929	432	5,124	2,473,747

Imports of Dry Salted Cod and Stockfish into Cuba by Countries—Concluded

Year		Canada	Norway	Newfound- land	United States	United Kingdom	Denmark and Iceland	Other Countries	Total
1930	Kgs.	3,422,987	6,341,125	.....	460,602	1,729,646	1,248	56,944	12,012,552
	\$	631,919	1,100,647	.....	87,863	291,189	306	10,126	2,122,050
1931	Kgs.	2,139,933	5,046,013	.....	246,366	740,512	3,591	56,647	8,233,062
	\$	332,779	635,739	.....	38,012	115,567	1,436	8,990	1,132,523
1932	Kgs.	1,080,467	3,927,215	.....	133,292	378,660	8,560	28,248	5,556,442
	\$	117,070	350,957	.....	15,396	37,128	1,799	2,447	524,797
1933	Kgs.	1,180,989	3,071,428	.....	10,805	188,518	3,514	35,159	4,490,413
	\$	101,143	286,374	.....	1,521	17,952	724	4,174	411,888
1934	Kgs.	1,531,414	2,746,170	.....	8,907	370,128	9,483	8,547	4,674,649
	\$	208,553	327,614	.....	1,188	42,987	3,001	1,780	585,123
1935	Kgs.	2,304,102	4,260,159	.....	10,527	302,441	125,933	18,627	7,021,739
	\$	285,095	495,322	.....	1,933	37,266	17,372	3,634	840,622
1936	Kgs.	2,248,846	3,122,984	408,625	42,227	249,898	778,461	10,761	6,861,882
	\$	219,439	362,985	36,133	5,507	28,402	78,052	2,187	732,705
1937	Kgs.	1,940,136	2,931,519	638,819	44,740	1,128,791	1,377,459	4,629	8,072,093
	\$	248,044	356,764	74,636	5,953	102,179	142,041	338	929,965
1938	Kgs.	1,698,336	2,614,552	1,189,321	19,818	1,204,894	1,161,449	23,986	7,912,356
	\$	208,561	336,919	128,241	4,039	129,691	128,332	2,762	938,485
1939	Kgs.	1,589,142	2,546,145	978,608	13,893	926,253	903,093	25,395	6,982,529
	\$	167,653	300,240	96,340	3,859	89,026	93,934	2,872	753,924

FACTORS AFFECTING VOLUME OF IMPORTS

Although the demand for dry salt cod is firmly established in Cuba, the per capita consumption varies considerably, as shown by the foregoing statistics. The main reason is that, since this item is imported, its retail price, due to various charges such as freight and duty, is increased to a level where it comes into direct competition with such other items of diet as fresh fish, of which there is an abundant supply, as well as fresh and dried beef produced locally. In times of economic depression in Cuba, due to unsatisfactory returns from sugar exports, the mainstay of Cuban economy, there is a marked tendency to replace dried fish by cheaper and equally nourishing foods. The wide fluctuations in total imports are therefore in direct relation to the buying power of the population. Price is the main consideration, and sales drop off rapidly when prices advance to a level where salt fish becomes a luxury rather than an economical food product.

MAIN IMPORT CENTRES

There are two main importing centres which between them account for the bulk of the trade. Havana supplies the western part of Cuba, and Santiago de Cuba, at the easterly end of the island, supplies the Province of Oriente and roughly the eastern half of the country. In recent years Norway has had a practical monopoly of the Havana market, the United Kingdom and Iceland sharing to a small extent in the trade. In the Oriente market, supplied through Santiago, Canada is the main supplier, with increasingly strong competition from Newfoundland and occasional shipments from Iceland, the United States and other less important sources of supply.

There are no statistics available as to the relative importance of Havana and Santiago as importing centres, but the former no doubt accounted for a somewhat larger share of the trade.

MARKET REQUIREMENTS

The reason for Norway's preferred position in the Havana market, to the practical exclusion of Canadian and Newfoundland producers while the Santiago market remains open to Canada, is that the requirements are quite different in these two centres. The Havana market is more exacting as to quality, while Santiago is strictly a price market, as evidenced by the growing popularity of cheaper Newfoundland fish. The difference is at present so marked that these two centres must be considered separately in so far as their requirements are concerned.

HAVANA MARKET

Norwegian suppliers, assisted to some extent by government subsidies, have for many years been supplying the Havana market with fish which is superior to that of Canadian or other origin, not so much in basic quality as in conditioning and grading.

Conditioning.—The following comment on the appearance of Norwegian fish is by Mr. F. Homer Zwicker in the report referred to above, following a personal investigation of the market: "The care taken with the Imperial Brand must of necessity be a matter of great interest and admiration to any one familiar with the average run and pack of Nova Scotian fish. One's general reaction after having gone through several boxes of these fish is that they have been split and cured by artisans who have taken the utmost pride in their work. The three lower grades show the same care in splitting and curing and are really only inferior in thickness, shape and size."

The most important requirement of the Havana market is that the fish be completely free from black nape. Norwegian fish is also carefully trimmed and evenly split and is closely graded according to size, shape and thickness. All bones are removed.

The fish imported into Havana from Iceland and Scotland conforms to the above requirements but is not so carefully split and graded.

Grades.—There are four leading grades on the Havana market: Imperial, Superior, Regular, and Inferior. The Imperial and Inferior grades are most in demand.

Cure.—The Havana market requires a comparatively dry cure. Arrivals from Scandinavia are not so frequent as from other sources, and importers often purchase two or three months' requirements at a time. The moisture content of European and Scandinavian fish is about 10 per cent lower than that of Nova Scotian fish and it is better able to withstand the warm, humid climate for a longer period of time without deterioration.

Packing.—The usual packing for the Havana market is in wooden boxes of 45 kilograms (of 2·2 pounds) net, but the cheaper grades of Iceland cod are sometimes imported in bales. The boxes have outside measurements of 32½ inches in length, 21 inches in width, and 9¼ inches in height and contain about 20 fish of the larger size. The boards are $\frac{5}{8}$ of an inch for ends and $\frac{9}{16}$ of an inch for sides, top and bottom. The Norwegian cases are dovetailed, but those from Scotland and Iceland are merely nailed. The boxes are paper-lined and offer good protection against export handling and to some extent against the climate. A recent trial shipment from Canada packed in thin plywood boxes with widely spaced boards arrived in bad condition, partly due to the faulty nature of the packing.

ORIENTE (SANTIAGO DE CUBA) MARKET

The requirements of this market, which serves the eastern end of the island, are different from those governing the Havana market. There is less stress on quality and more on price. As a matter of fact, since Newfoundland fish began to appear on the market in the late depression years, this has developed into strictly a price market. Practically all imports from Canada are entered at Santiago, and Nova Scotian dried cod had a virtual monopoly of this market until competition developed from cheap Newfoundland fish.

Conditioning.—This market takes black-nape fish (black wings) and is not so particular about colour, trimming, splitting and grading as the Havana market.

Grades.—There is a wide range in quality and no definite grading of fish for the Santiago market. The fish is classified as to size into large or prime,

medium and small. The medium size is in greatest demand, and there has always been a marked preference for Canadian fish despite lower prices usually quoted by Newfoundland and the United Kingdom.

Cure.—The Santiago market prefers the Canadian cure, which is not quite so dry as the Norwegian cure. Importers purchase in smaller quantities at more frequent intervals, so that the fish need not have such good keeping qualities.

Packing.—The usual packing for the Santiago market is in drums of 128 pounds. There have been occasional shipments in boxes or bales, but the drums are preferred.

LOCAL REPRESENTATION

The bulk of the dried fish imported is handled by commission agents, although a few of the larger importers buy direct from the shippers for their own account. The more important commission houses and importers operate in both the Havana and Santiago markets and are in a position to cover the whole country. Any reliable Canadian shipper who wishes to enter the Cuban market can secure adequate representation by applying to the office of the Canadian Trade Commissioner at Havana.

COMMISSION AND PAYMENT

The usual rate of commission to an agent is $3\frac{1}{2}$ per cent of the c.i.f. price. Prices are always quoted c.i.f. Havana, Santiago de Cuba or other Cuban port, and the usual terms of payment are cash against shipping documents after arrival and inspection of the goods.

SHIPPING FACILITIES

There is no direct shipping service between Canadian ports and Havana. The Pickford and Black Line operate a regular fortnightly service between Halifax and Santiago de Cuba. This line has a working arrangement with the Compañía Naviera de Cuba—a coastwise steamship service—and can issue through bills of lading to any port in Cuba. It is stated that a saving in freight can be obtained by using this service rather than transshipping at Boston or New York.

IMPORT DUTIES

The present rate of duty on dry salted codfish imported into Cuba is \$5.50 per 100 kilograms less 10 per cent for tare when packed in barrels, drums or boxes and 2 per cent when sacked. This rate applies to all countries except the United States, which enjoys a preferential rate of \$4.125 per 100 kilograms by virtue of a reciprocal trade treaty of long standing. The United States, however, is not an important factor in the trade, so that for all practical purposes Canada is accorded the same tariff treatment as other supplying countries.

CHANGES DUE TO THE WAR

The last shipment of Norwegian cod was received at Havana in the latter part of March of this year, and since then the market has been supplied entirely from Iceland and the United Kingdom, the former country taking about 75 per cent of the trade. Stocks on hand have been heavy, however, and the market on the whole rather dull, due to high prices, so that there has been no real shortage. Shipments from Iceland have continued more or less normally but only against contracts. That country could have sold considerably more, but it appears that there was no exportable surplus after contracts for forward delivery had been filled. There have been no new offers from

Iceland for some time, and there is no indication of what prices are likely to be for the new catch and of how much will be offered. There have been irregular offers from the United Kingdom all along but at greatly increased prices with no takers.

The Santiago market has not been affected by the war so far as sources of supply are concerned, but prices have shown a tendency to rise, and the demand has been lower in consequence.

On the whole it may be said that the war has not yet caused any great disturbance of the Cuban dried fish market, but it is expected that, with higher prices due to increased freight and insurance rates and probable curtailment in fishing operations, the Havana market may eventually have to purchase part of its requirements from other than its usual sources.

PRICES

The lack of recent offers from Norway and Iceland makes it difficult to determine prevailing prices on the Havana market. The latest offers from these countries were around \$8 per box for the best quality packed in boxes of 45 kilos, ranging down to \$6 for inferior grade in bales. These offers, however, were made in March, at a time when United Kingdom fish was quoted at around 42s. Quotations from the United Kingdom are now around 53s., and it is probable that future quotations from Iceland will show at least as great an increase, due to frequent increases in freight and insurance rates in recent months.

On the Santiago market the latest quotations for Canadian cod have been around \$9 per drum for medium and \$8.50 for small. These prices are considered too high for this market, and the demand has fallen off considerably in consequence. There is a marked tendency to turn to Newfoundland fish, which is obtainable at lower prices.

In comparing prices for Canadian and Norwegian cod it should be noted that the unit used is not the same, as Norwegian prices apply to boxes of 45 kilos (99 pounds), while Canadian prices are for drums of 128 pounds.

PROSPECTS FOR INCREASED CANADIAN SALES

With prices at their present relatively high level and economic conditions in Cuba far from satisfactory, due to continued low prices for sugar, Canadian shippers will do well to maintain their present position in the Santiago market in the face of low-priced competition from Newfoundland.

The position in the Havana market, however, is different and may offer an opportunity for Canadian shippers, who have been practically excluded from that market for years. Purchases from Norway have averaged over three million kilograms in the past five years. Now that this country is completely excluded, it is doubtful if such a large quantity can be replaced by increasing purchases from Iceland and the United Kingdom. If Canadian shippers could supply fish acceptable to the Havana market without too great an increase in price, a good volume of business could no doubt be secured. Whether the extra care in handling necessary to produce fish similar to the Scandinavian product can be assured without increasing prices to a prohibitive level is a matter that can only be decided by the shippers.

It is possible, however, that local importers may have to alter their requirements in view of the present situation, but they do not seem to feel that this is likely in the near future. On the contrary they state that if Canadian shippers wish to secure a share of this market, they will have to cater to local preferences, at least to the extent of offering white nape fish with a slightly drier cure.

It must be said that in both the Havana and Santiago markets business has been dull for some weeks past. Stocks have been moving slowly, due to the comparatively high prices which have prevailed for some time. Some importers have stated recently that they would reduce their prices regardless of cost to a level that would ensure sales in order to escape losses through possible deterioration. This may account in part for the present attitude of the Havana market towards future offers from Canada, and it is possible that an improvement in the market may cause them to modify this attitude to some extent. In any event there will certainly be a premium paid for better-quality fish conforming to the requirements of the market, and Canadian shippers in a position to supply white nape fish with good keeping qualities will be afforded a much better opportunity of obtaining orders.

MEXICAN PAPER MARKET

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

[One Mexican peso (100 centavos) equals approximately \$0.22 Canadian; one metric ton equals 2,204 pounds; one kilo equals 2.2 pounds; one gram equals 0.03 ounce; one metre equals 39.37 inches; one square metre equals 1.196 square yards.]

Mexico City, September 11, 1940.—At the present time the Mexican paper market offers opportunities for the sale of other varieties of paper in addition to newsprint. The following notes have been prepared following an investigation of this market in the interest of Canadian exporters.

CELLULOSE

Cellulose is now manufactured in Mexico, and before the outbreak of war in Europe this trade was in the hands of exporters in Norway and Finland. A few shipments are still arriving from Scandinavia, but these are by no means sufficient for the market's needs. Recently Canadian firms have been obtaining some business and, if the present situation continues, they should be able to secure a much larger share of the trade. United States exporters have also made some sales, but with Canadian currency at a discount, Canadian exporters are in a favourable position to meet competition from United States suppliers. Norway's latest price for bleached, c.i.f. Veracruz, was around U.S.\$80. Canada should be able to do business at around \$75 for bleached as against United States offers. Crude, strong pulp offers should be proportionately lower.

Prices should be quoted c.i.f. Manzanillo, if the pulp is shipped from the Pacific coast, and c.i.f. Veracruz if forwarded from Atlantic ports. Mexican paper mills are not short of stocks at present, but will buy at once if offers are favourable for future eventualities.

The duty on cellulose is 10 pesos per 1,000 kilos.

WOOD-PULP

While wood-pulp is manufactured in Mexico, its quality cannot compare with that of the Canadian product. The present price for Mexican wood-pulp is around U.S.\$40 per 1,000 kilos. Recent United States offers were around \$60 per 1,000 kilos c.i.f. Veracruz. The Mexican duty on this product is 8 pesos per 1,000 kilos.

NEWSPRINT

The Productora e Importadora de Papel, S.A., commonly known as Pipsa, is a semi-official organization which controls Mexican imports of newsprint. Formerly two local mills, the San Rafael and the Loreto Paper Mills, manu-

factured newsprint. This local production has ceased, and some Canadian newsprint is now being imported into Mexico. This paper, including rotograph paper, formerly came on a barter agreement from the Verband Deutscher Druckpapier Fabriken in Germany.

KRAFT PAPER

Although Mexico manufactures a certain amount of kraft paper, large quantities are imported from Louisiana, as the Mexican import duties on certain items are low. The present price of Mexican kraft is around \$90 per 1,000 kilos.

The types imported are for paper bags, corrugated board, gummed rolls, tags, etc. The weights mostly in demand are 40, 60, 75 and 90 pounds. Weights of 60 and 90 pounds are also required in "one side waterproof finished" for gumming, and of 75 pounds in "waterhide board" but not waterproof finished. The c.i.f. price of waterproof is now around U.S.\$83 per 1,000 kilos; other prices are in proportion.

The Louisiana factories grant 60, 90, and 120 days draft or 3 per cent cash, but the latter is never used. The rolls must be not less than 1 metre in width, with a diameter of 85 centimetres, and weigh from 80 to 120 kilos. The resistance figured by the "Mullen" machine is not less than 2,500 grams per square centimetre, corresponding to papers of 100 grams per square metre.

The Mexican duty on kraft paper weighing from 100 to 125 grams per square metre is 0.05 peso per kilo, and on paper weighing over 125 grams it is 0.02 peso per kilo.

On other qualities and sizes, especially those with less resistance than mentioned above, the duty is 0.14 peso when the weight is from 50 to 100 grams per square metre and 0.10 peso when more than 100 grams.

GLASSINE PAPER

Glassine paper is not manufactured in this country; it has been imported into Mexico from Germany and Czecho-Slovakia. Since the war imports have come from the United States at around 14 or 15 United States cents per pound f.o.b. New York for glassine paper of 30 grams per square metre. The prices for other weights are in proportion. According to the trade, the quality of the United States product is inferior to that of German glassine paper.

This type of paper is bought in Mexico in the following qualities: (a) white bleached, greaseproof, 20, 30, 36, 40, and 45 grams per square metre; (b) white bleached, non-greaseproof, 29, 30, 36, and 40 grams per square metre; and (c) coloured, greaseproof, particularly dark brown and dark red, 40 grams per square metre.

The size for all the above qualities is 24 by 36 inches. There is also a market for small rolls of white bleached greaseproof from 11 to 20 inches in size. Orders are generally for 1,000 kilos per weight and quality. Coloured paper in small quantities is usually delivered from stock. Mexico imports annually about 100 tons of glassine paper.

The duty on glassine paper is 0.30 peso per kilo.

PARCHMENT PAPERS

Two types of parchment paper are used, genuine and imitation. In pre-war times, Germany, Czecho-Slovakia and the United States supplied the genuine parchment paper. Prices were then about £50 sterling per metric ton c.i.f. Veracruz. The United States price was always higher than European offers.

The quantity of genuine parchment paper imported into Mexico is 15,000 to 20,000 kilos per annum. The size in demand is 24 by 36 inches, in small rolls, and the weight is 42 to 90 grams per square metre. Orders are usually in metric tons.

Imitation greaseproof parchment paper was imported from Germany. The size required is 24 by 36 inches, and the weights run from 40 to 60 grams per square metre. Orders are placed in metric tons, and the total annual imports into Mexico are around fifteen tons.

BLOTTING PAPER

The use of blotting paper is one of the favoured methods of advertising in Mexico. Germany formerly had the largest share of the trade.

Blotting paper is manufactured in Mexico, but the quality is inferior. The paper required is a cardboard with a blotting side, and the cardboard should have a smooth, but not coated, surface, because coated papers are assessed heavy duties, and the demand is small. The size should be 19 by 24 inches, and the weight from 280 to 300 grams per square metre. Assorted colours are in use. The blotting side should be pink or red in colour. Blue also can be sold, but it is not so popular. Generally the printing side should be white, but small quantities are imported in assorted light colours. Individual orders are generally for 10,000 assorted sheets, and the total quantity imported per annum is about 200,000 sheets.

Two-sided blotting paper of inferior grade is manufactured by local mills, and a small quantity of good-quality is also imported. The size used is 19 by 24 inches, with a weight of 300 grams per square metre. The market for this quality in assorted colours is not large.

TISSUE PAPER

Tissue paper is manufactured in the country in medium quality only, and there are small imports of the better grades. There is no demand except for white paper. There is also a small but regular market for medium-quality hygienic paper.

COATED PAPERS

Coated papers, white and coloured, one- and two-sided, are manufactured in Mexico. The better qualities are, however, imported through Pipsa (Productora e Importadora de Papel, S.A.), which has the privilege of importing certain papers free of duty. Germany formerly supplied this market with two-sided white paper at U.S.\$225 per metric ton c.i.f. Veracruz. Various sizes are in demand. The weights for white range from 80 to 500 grams per square metre. Coloured papers are not in great demand and only in standard sizes.

BOND PAPERS

Bond papers are made in Mexico from cellulose, and it is difficult to compete owing to the Mexican duty of 40 centavos per kilo. Linen papers are purchased in rather small quantities from two well-known United States firms. There is a good demand for first-class ledger paper, which is now being imported from Canada to a certain extent. All bonds are used in standard weights and sizes.

CELLULOSE TISSUE

White and coloured cellulose tissues are imported, as they are not manufactured in Mexico. There is a large demand, chiefly from local cigarette, candy and cardboard box factories and other industries. The leading supplier of good-quality tissues is the United States; the cheaper grades are imported from Japan. This product is used in standard sizes and weights. The whole question of Canadian competition depends on price. The duty is 0.80 peso per kilo.

CIGARETTE PAPER

The Mexican market consumes about \$20,000 worth of cigarette paper a month. Rolls of "Arroz Dulce" and "Verge" are in demand.

CARBON PAPER

Carbon paper cannot be imported owing to the high duty. One of two domestic factories is producing paper of a very fair quality, and a local branch of the old Viennese firm Kores formerly brought in carbon paper in large sheets and cut them locally. This firm grants long credits to its two principal customers, the Mexican Government and the Petroleos, S.A. German "Pelikan" from Guenther and Wagner was also handled in connection with many other German office lines.

WAXED PAPER

Waxed paper is chiefly used for ice-cream sticks. The sizes required are 24 by 36 inches and 20 by 30 inches, and the weight is 20 grams per square metre. United States firms sell this paper at 30 centavos per kilo c.i.f. Veracruz. Individual orders are for 500 kilos, and the total demand is around 10,000 kilos per annum.

Waxed paper weighing up to 100 grams is dutiable at 0.50 peso per kilo; when weighing more than 100 grams the duty is 0.40 peso per kilo.

AIR-MAIL PAPER

The use of air-mail paper is increasing. Mexican factories produce a poor quality. Imports can be effected in the better qualities in fairly satisfactory quantities.

WOOD-PULP BOARD

Wood-pulp board is used in Mexico for milk bottle covers. It is bought in rolls of different widths and about 1.1 mm. in thickness. Local consumption is about 100 tons per year. Imports were formerly from Norway and Finland. Canadian exporters might consider this line.

WHITE CARDBOARD FOR FOLDING BOXES

Two types of white cardboard for folding boxes were formerly imported into Mexico from Germany. German supplies of white, one-sided cardboard for this purpose were large. Finland, too, shipped a good and a cheap quality. The size was 28 by 44 inches or even larger, and the weight was from 200 to 600 grams per square metre. Individual orders were generally for 2 to 5 metric tons, and the total annual demand was for 300 tons.

A second type supplied by Germany was white, two-sided cardboard. The total annual requirements in Mexico are 50 tons.

COLOURED CARDBOARD

Coloured cardboard for folding boxes, although produced locally, is also imported in small quantities in light colours, such as cream, blue, pink, etc. The sizes and weights are the same as for the white cardboard.

MANILA BOARD

A good quality of manila board is manufactured locally. Only first-grade board is imported from the United States in sizes, in inches, of 24 by 37, 27½ by 37, and 29½ by 37. Weights are from 250 to 300 grams per square metre. Assorted colours are required. The price of the local product is around 15 centavos per kilo; the imported product is more expensive.

IVORY AND BRISTOL BOARDS

Although ivory and bristol boards are manufactured in Mexico, Germany shipped a better quality that was preferred. The question of finishes depends on the factory. The sizes preferred in Mexico are, in inches, 20 by 25½ and 22½ by 28½, and the weights are from 200 to 600 grams per square metre. High-priced ivory and bristol boards can be sold in Mexico. The finishes preferred are glazed, half-glazed, dull and in different designs. Coloured bristols are in smaller demand.

PAPER SPECIALTIES

The following specialties are also imported into Mexico, although produced locally: flint paper (white and coloured); cambric paper; book-binders' clothing; keratol; fancy cardboards for Christmas cards; and tracing, blueprint and drawing paper.

ECONOMIC CONDITIONS IN BOLIVIA

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

Lima, August 8, 1940.—Bolivian economic conditions have continued to improve during recent months, due principally to increased production of tin, which is Bolivia's chief export commodity and principal source of foreign exchange. There has been a heavier demand for this product to meet war-time requirements. Apparently there is now a more rigid check on government expenditure, and, should this policy be continued, the budget for the present year may be balanced.

PUBLIC FINANCE

The President of Bolivia, in reviewing the activity of his government during the first four months in office, recently stated that his policy was based primarily on three points: (1) to increase production, (2) to revise the budget so as to eliminate needless expenditure, and (3) to curtail the issue of paper currency and regulate bank credits. He added:

The results obtained by this policy are completely satisfactory. Customs and internal revenues are increasing; available exchange is increasing, permitting us to attend to our obligations without incurring new loans; we are paying foreign debts which could not be forgotten.

We are making inquiry in the United States in order to interest that country in the installation of smelters for certain metals, either in that country or in ours.

The original budget of 627 million bolivianos has been reduced to 562 millions.

Total income from internal taxes for the first five months of 1940 has risen to 54,859,942 bolivianos as compared with 40,947,768 bolivianos for the comparable period of 1939, an increase of 14,362,174 bolivianos.

Total income up to the 30th June of the present year amounted to 249,728,482.39 bolivianos, and it can be presumed that, with saving measures, we can reach the end of the year with an equilibrated balance between income and expenditure.

MINING

Tin exports for 1939 were the highest for the past ten years amounting to 27,916 tons. Efforts are being made to still further increase production. Petroleum production is also increasing.

PAYMENT FOR EXPORTS TO THE BELGIAN CONGO

The Foreign Exchange Control Board have concluded tentative arrangements whereby transactions between Canada and the Belgian Congo may be settled in sterling until further notice. Consequently, Canadian exporters may ship goods to the Belgian Congo against payment in sterling.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

IMPORT REGULATIONS AFFECTING GIFTS OF FOOD

With reference to the notice in *Commercial Intelligence Journal* No. 1911, September 14, 1940, page 393, respecting a three-months' licence for gifts of foodstuffs sent to the United Kingdom, Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, advises that the Ministry of Food state that the licences in question are granted to approved firms for three months for unspecified quantities. This, Mr. Hudd states, may indicate review of licences at the end of the period and warning against assumption of renewal, but the question of quantities and contents of bulk shipments does not arise in applications for licence to import such gifts. These import licences are to be issued to United Kingdom firms who wish to import in bulk bona fide unsolicited gifts of foodstuffs, whether rationed or not, provided the parcels do not exceed 15 pounds in weight and are addressed to individuals in the United Kingdom for transmission to their destination by parcel post on arrival in that country.

TARIFF REDUCED ON NON-EMPIRE LEATHER

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, cables that, effective September 18, the United Kingdom tariff has been reduced from 30 per cent ad valorem to 20 per cent ad valorem on dressed leather of the following descriptions: box and willow calf, box and willow sides, and other chrome tanned calf, kip and hide leather, imported in skins or pieces weighing less than 4 pounds each. The foregoing classification does not include the following types of dressed leather: (1) patent leather of a thick, permanent, high gloss finish, or glaze kid, being chrome tanned goatskin of smooth, polished finish; (2) scrap or waste of chrome tanned calf, kip, and hide leather, being leather of a kind not used in the uppers of boots and shoes; and (3) machinery belting (including conveyor and elevator bands) of leather.

Leather consigned direct to the United Kingdom from Canada and proved to the satisfaction of the Customs to have been manufactured to the extent of at least 25 per cent of its factory cost in Canada, is entitled to duty-free entry as formerly, under the terms of the existing Canada-United Kingdom trade agreement.

Australia

TARIFF DECISIONS

Recent Australian customs decisions, as to the tariff classification and rates of duty on articles regarding which question had been raised, include the following:—

Saw blades for stone-working machines, viz.: carborundum rimmed steel centred saws for stone cutting, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (item 261).

Articles of wire, viz.: filaments, electrodes (leads-in), and supports, for use in the manufacture of electric incandescent lamps, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (by-law under item 404).

Files of the type designed for use by dental mechanics, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (by-law under item 219C).

Files designed for use by dentists in the filling and treatment of natural teeth, free of duty under British preferential tariff, 20 per cent ad valorem under general tariff (by-law under item 419C2).

Mica tape sheathed on both sides with fine tissue paper, 20 per cent ad valorem under British preferential tariff, 30 per cent ad valorem under general tariff (item 249B).

Canadian goods under the above items, having the required content of Canadian and/or Australian material and labour, and shipped in accordance with Australian regulations, are entitled to British preferential tariff rates. Goods from all countries outside the British Empire are subject to general tariff rates.

Jamaica

IMPORT LICENSING EXTENDED TO WHOLE EMPIRE

An Order of September 11, 1940, made under Jamaica Wartime Trade Control Regulations, extends the scope of import licensing so as to require import licences for all goods from all sources. Imports from foreign countries and from Canada and Newfoundland, i.e. from non-sterling areas, had already been subject to import licence since October 17, 1939, but only a limited list of articles originating in the sterling areas of the Empire previously required import licence. Details concerning earlier licensing regulations appeared in *Commercial Intelligence Journal* No. 1868, November 18, 1939, page 943, and No. 1903, July 20, 1940, page 105. The new Order provides that every article imported from sources within the British Empire must qualify for admission at British preferential rate of duty, unless the written consent of the Competent Authority has been obtained.

Argentina

EXCHANGE RATE FOR COLLECTION OF CONSULAR FEES

With reference to the notice published in *Commercial Intelligence Journal* No. 1911, September 14, 1940, page 394, Mr. Saul Aguilar, Consul General of Argentina in Ottawa, advises that the rate of exchange in force as from September 16, 1940, for the purpose of collection of consular fees will be \$27·178 Canadian per 100 Argentine paper pesos.

Chile

QUOTA ON WOOLLEN TEXTILES

Mr. M. J. Vechsler, Canadian Trade Commissioner in Lima, writes that under a Chilean decree published July 31, 1940, the quota of woollen textiles that may be imported into Chile from all sources during the year beginning August 12, 1940, is 525,000 kilograms. This is the same amount as was authorized for the previous year.

EXCHANGE SITUATION IN ARGENTINA

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, September 12, 1940.—There has been no significant change in the exchange or import regulations since the closing of the Continental European markets to exporters and importers in Argentina. The policy of the Argentine Government at this time in regard to import control is governed by the pressing need to conserve her dollar exchange reserves. The restrictions on imports from the United States and Canada have not been relaxed. On the contrary certain essential commodities which were being admitted freely until recently from North America can now be imported from the United Kingdom only. The United Kingdom is making a special effort to increase the volume of her shipments of staple goods to these countries. This is satisfactory to Argentina and Uruguay, since they have a substantial surplus of sterling exchange arising from their sales of meats and, to a lesser extent, grain to the United Kingdom and which cannot be used except to pay for imports of goods from the United Kingdom. There is nothing to indicate any probable improvement in the situation, but further restrictions may be imposed.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING SEPT. 23, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for the principal exchanges for the week ending Monday, September 23, 1940, and for the week ending Monday, September 16, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Sept. 16	Nominal Quotations in Montreal Week ending Sept. 23	Official Bank Rate
Finland	Markka	.0252	\$.0219	\$.0218	4
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130		.0073	6
Hungary	Pengo	.1749			
	Official		.3227	.3227	4
	Unofficial		.2150	.2150	—
Yugoslavia	Dinar	.0176	.0249	.0249	5
Portugal	Escudo	.0442	.0443	.0443	4-4½
Roumania	Leu	.0060			3½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2644	.2643	3
Switzerland	Franc	.1930	.2527	.2532	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2204	.2206	3
Cuba	Peso	1.0000			—
Guadeloupe	Franc	.0392			—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392			—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2597	.2581	—
Brazil	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0556	.0556	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6326	.6326	4
Peru	Sol	.2800			6
Venezuela	Bolivar	.1930			—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4033	.4080	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar		.0577	.0577	—
Hongkong	Dollar		.2473	.2524	—
India	Rupee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2601	.2601	3.29
Java	Guilder	.4020			—
Thailand (Siam)	Baht (Tical)	.4424			—
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5760	3.5760	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

There was no change in official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds during the week ended September 23. These were quoted at \$4.43-\$4.47 and \$1.10-\$1.11, respectively. At New York sterling free market rates gained ¼ of a cent to \$4.04½ on the 21st, but subsequently eased to \$4.04 on the 23rd, for no net change. During the same interval Canadian dollar rates at New York stiffened considerably, final quotations at 84½ cents indicating a net gain of 1½ cent. Announcement was made in London on the 23rd of a revision in exchange regulations regarding registered sterling accounts. These were widened to take in more countries and at the same time permitted accounts to be opened in the names of firms and companies. Montreal rates for the Swiss franc showed a stronger tone, quotations ending the week 5 points higher at 25.32 cents, but the Swedish krona eased 1 point to 26.43 cents.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Shoes, Rubber-soled.....	601	Mexico City, Mexico.....	Agency.
Carpets.....	602	Mexico City, Mexico.....	Agency.
Baby Carriages.....	603	Mexico City, Mexico.....	Agency.
Clothes-peg Machinery.....	604	Petone, New Zealand.....	Purchase.
Carpenters', Plumbers' and Engineers' Tools.....	605-7	Mexico City, Mexico.....	Agency.
Duplicators (Gelatine, Spirit or Stencil).....	608	Port of Spain, Trinidad....	Purchase and Agency.
Electric-lamp Caps.....	609	Preston, England.....	Purchase.
Plywood and Veneers.....	610	Mexico City, Mexico.....	Purchase and Agency.

COMMERCIAL INTELLIGENCE SERVICE

L. D. WILGRESS, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 83 William Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast. Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natai, Tanganyika, Kenya, Uganda, Mauritius, and Madagascar.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, and Nyasaland.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W. 1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C. 2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: G. R. HEASMAN, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL

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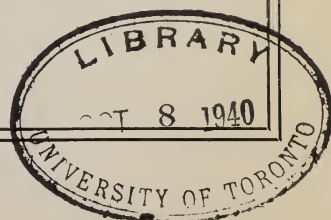
Ottawa, October 5, 1940

No. 1914



Thirty Million Feet of Timber in the Miramichi River, N.B.

ISSUED BY AUTHORITY OF
THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE
L. D. WILGRESS, DEPUTY MINISTER



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Vol. LXIII

Ottawa, October 5, 1940

No. 1914

PAPER CONTROL IN THE UNITED KINGDOM

J. A. LANGLEY, CANADIAN TRADE COMMISSIONER

London, August 19, 1940.—The Control of Paper (No. 21) Order, which has been made by the Minister of Supply, extends for a further period of three months from September 1 the paper rationing scheme under which licences are required from the Paper Controller for the delivery or conversion of paper by a mill and for the disposal of imported paper by the importer. New features of the Order are: (1) delivery or conversion of paper which has been authorized during the present licence period may be completed without further authority up to September 14; (2) licences for the production of paper in the new licensing period may be issued and production may begin before September 1; (3) the provision under which no licence is required for the production of paper made mainly of waste paper, straw and other home-produced materials has been modified by reducing the maximum percentage of imported raw materials from 33½ per cent to 20 per cent; (4) the provision which enabled unbleached imitation parchment, greaseproof paper, vegetable parchment, papers for the electrical trade and photographic base papers to be produced without licence has been withdrawn.

Copies of this order are on file at the Department of Trade and Commerce, Ottawa, and are available for reference by Canadian exporters.

PRICES OF AGRICULTURAL PRODUCTS IN THE UNITED KINGDOM

G. R. PATERSON, ANIMAL PRODUCTS TRADE COMMISSIONER

London, September 4, 1940.—The Chief Trade Commissioner in the United Kingdom advised, under date July 5 (*Commercial Intelligence Journal*, No. 1905: August 3, 1940, page 163), to the effect that certain prices had been agreed to and that others, to be announced in August, would contain an indication of prices for home-produced agricultural products for the balance of 1940 and for 1941 crops.

These prices have now been published, and, in brief, are as follows:—

CROPS FOR 1941

Wheat.—There will be no change in the price of 14s. 6d. per cwt., announced in June.

Barley.—Malting barley is free of price restriction.

Oats.—The standard price is to be 12s. 6d. per cwt.

Oats and barley for feeding.—The price is fixed at 13s. 6d. per cwt.

Potatoes.—An increased return of 30 per cent per acre as compared to 1939 is provided for.

Sugar beet.—The price is to be announced at a later date.

LIVE STOCK AND LIVE-STOCK PRODUCTS

Milk.—The guaranteed pool prices, or corresponding return to the producer, for milk during the forthcoming winter will be raised by the following sums per gallon over the 1938-39 level: October and November, 7d.; December and January, 8d.; February and March, 7d.

Cattle.—In order to level out the supplies of fat stock and help to prevent the normal autumn glut, a wider seasonal variation between the prices in mid-autumn and late spring will be introduced. Under the new scale the price to be paid for the fortnight commencing September 9 for a steer or heifer killing out at 56 per cent will be 64s. per cwt., which will fall gradually to 60s. on October 21, subsequently rising to 70s. next June.

Sheep.—No change will be made from prices previously announced and effective to June, 1941.

Pigs.—The basic price of pigs, which was raised to 21s. per score on July 1, will be reduced from September 30 to 19s. 6d. per score. Porkers will be paid for at a basic rate of 18s. per score and sows at 15s. per score. If marketings at any time prove unduly heavy, the Ministry of Food may have to exercise their power to refuse to accept a proportion of the pigs offered.

Cheese.—From October 1 the maximum prices of the main varieties of home-produced cheese will be reduced to the same levels as imported cheese. From that date no premiums will be allowed for matured cheese. A new schedule of prices for imported cheese became effective on September 2 as follows: Retail, 1s. 1d. per pound; wholesale delivered, 100s. 4d. per cwt.; ex store, first hand sale, 94s. 4d. per cwt.

Eggs.—A new schedule of prices for home-produced eggs was introduced on September 2. Under the accompanying order, the prices are now controlled throughout the various stages of sale; hitherto only retail prices had been fixed. The new schedule allows for a seasonal rise and permits a retail price of 3s. 6d. per dozen at time of writing for 17-pound eggs, for which grade the producer received 30s. 6d. per 120 eggs.

COSTS OF PRODUCTION

In the event of any substantial changes in costs of production, the prices now announced will be subject to review. In this connection the British Government is considering the possibility of stabilizing prices of feeding stuffs and fertilizers. Thus it hopes to avoid, as far as practicable, frequent changes in price scales and to permit farmers to plan ahead with greater security.

**TRANSPORT SUBSIDY FOR MINING TIMBER GROWN
IN THE UNITED KINGDOM**

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

Bristol, September 6, 1940.—In order to encourage the production of home-grown mining timber in districts remote from collieries, the Timber Control have announced that they will pay a subsidy to persons who have paid the railway charges in respect of such timber on long railway hauls in the United Kingdom. The cost of sea transport on mining timber produced in Northern Ireland and Scotland will rank with rail transport costs for payment of the subsidy.

As the South Wales collieries have not associated themselves with the scheme for the payment of a charge of 4d. per ton of coal to equalize partly

the cost to the Timber Control of imported and home-grown pitprops,* the subsidy will not, for the time being, be payable on timber delivered to mines in the counties of Monmouth, Glamorgan, Pembroke, Carmarthen or Brecon.

In the case of inland hauls, the subsidy will consist of the amount by which the railway charge, for carriage only, exceeds 15s. per ton. Where sea transport costs are also involved, the subsidy will consist of the amount by which these costs, together with railway charges before and after shipment, exceed 15s. per ton. In the case of mining timber produced in Eire, a subsidy of £1 per ton will be paid.

Mining timber is described in the Control of Timber (No. 17) Order and includes larch in the round up to and including nine inches mean quarter girth over bark, and fir and hardwoods in the round up to and including seven inches mean quarter girth over bark, when consigned to collieries for propping and shoring purposes and for pit sleepers underground.

In the interest of national economy and to avoid unnecessary rail transport, it is specified that all home-grown mining timber be sent to the nearest market, and that each coalfield receive supplies produced in and near its own area. Where long hauls are unavoidable, however, a plan of area distribution has been drawn up by the Ministry of Supply.

NOTES ON SCOTTISH BUSINESS, INDUSTRIAL AND AGRICULTURAL CONDITIONS

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

CANADIAN BACON

Glasgow, August 30, 1940.—On the whole, Canadian Wiltshire bacon during this period of the war is being received by the Scottish provision trade with extreme satisfaction. Cut, selection and colour of the meat are all that could be desired. There is an odd lot of Canadian gammons coming in from time to time that are just too flanky, but it is anticipated here that this fault will be remedied in time. The selection has been fairly good regarding the proportion of fat to lean.

In the early days of the war a lot of slime was experienced on arrival; but this is thought to have been due to delay in transit, and is no reflection on the Canadian packers. This cause of complaint has now almost entirely disappeared. As the bacon has to be cured with a possible lengthy period of storage in view, it has in some cases been found to be rather too salty in flavour for the average household, which has been accustomed to exceedingly mild-cured bacon, such as Danish. On the whole, however, the flavour has been satisfactory.

Subject to the minor qualifications mentioned, Canadian bacon on the Scottish market at present is of excellent quality, a situation in refreshing contrast to that prevailing during the last war. Many years were required to live down the reputation that the transatlantic product in general acquired at that time on this market. Canada is playing an important part in this trade now, and has the opportunity of consolidating her position on this market if everything is done to keep up and improve the quality.

The bacon and ham ration is now almost entirely Canadian cured meats, "Empire" fresh pork cured here, and home pork cured on behalf of the Ministry of Food.

* See report entitled "Further United Kingdom Timber Control Orders," published in *Commercial Intelligence Journal* No. 1906 (August 10, 1940), page 206.

Canadian-cured ham or bacon may or may not be retailed specifically as a Canadian product. It would be impossible under prevailing conditions to give a reliable opinion on this point, since there are 1,200 retail grocers and provision merchants in Glasgow alone.

HAND-LOOM WEAVING

Hand-loom weaving in Scotland is now largely centred in the islands off the north and west coasts. The product is divided into three main types: Shetland tweed, Orkney tweed and Harris tweed. Nowadays very little hand-spun yarn is used, mechanical methods being employed. The wool is sent to mills on the mainland to be spun, and returned to the islands to be hand-woven in the homes of the crofters.

Probably the largest hand-weaving industry in Britain is that in the islands of Harris and Lewis where Harris tweed is produced. This industry is the mainstay of these islands. To meet the increasing demand, mechanical methods were introduced to speed up certain processes; but every piece of authentic Harris tweed is still hand-woven in the homes of the crofters, and it is still possible to obtain Harris tweed which has been entirely hand-made. These cloths—Shetland, Orkney and Harris tweeds—are in good demand in this country and are widely exported, the latter largely to the United States.

EXPORT TRADE

In the early days of the war the industrialists of Scotland were largely pre-occupied with direct war demands and, naturally enough, were anxious to contribute to the national war effort by obtaining government contracts or sub-contracts. In consequence, the tendency was to neglect export trade. It was not long, however, before the danger of this course was recognized here as elsewhere. It was brought home in the clearest possible terms that exports are a weapon of war and that large sales of British manufactures abroad will contribute vitally to the defeat of the enemy.

It is now fully appreciated that the need for obtaining foreign exchange by means of exports is vital, and that the men and women employed in the production of exportable goods are performing as valuable service to the national cause as those producing munitions or other war necessities. In spite of the encouraging results obtained in this direction already in the face of great difficulties, there is no complacency anywhere.

SPEED-UP IN HEAVY INDUSTRIES

Production in Scottish heavy industries, especially in shipping tonnage and armaments, has been enormously accelerated in the last few months to meet war demands. Two factors have contributed to the increase in production; one is the introduction of a seven-day week in certain trades, and the other a transfer of labour from less essential industries. With non-stop production in the steelworks for seven days a week, the flow of material to the shipyards has vastly increased to meet the Government's huge naval and mercantile shipbuilding program. The increased output in this and other vital industries has been made possible by the patriotic spirit animating the workers, who have sacrificed holidays and, for the time being, certain customs of their crafts established over many years, in order to get the maximum output. For instance, agreement has been reached in the shipbuilding and ship-repairing industries for the dilution of labour, and for the exchange of labour between different classes of craftsmen. In this country, where trade unions are so strong and hard-won privileges so jealously guarded, such concessions illustrate the attitude

of the ordinary working man towards the war. Care is being exercised to ensure that the health of the workers does not suffer, and arrangements have been made for staggered holidays, which will enable men and women to have a rest without diminishing output.

At no time in its history has the Scottish steel trade been better organized and equipped for large outputs than it is at present. It is accordingly well placed to meet the increasing pressure for the delivery of material to the ship-yards, the munition works and the aircraft factories. The steel distribution scheme, which came into existence in May, ensures that every ton of steel produced will have the maximum economic and war effect.

The cutting off of imports of semi-finished steel from Belgium affected most of all the re-rolling section, for in the Glasgow district the re-rolling mills used large quantities of the Belgian product. Overseas supplies from other sources are available, however, as well as substantial quantities of home-made supplies, and conditions for the re-rollers are now favourable.

WAR'S EFFECTS ON OTHER INDUSTRIES

While many firms engaged in industrial production or trade have gone out of business as a result of the war or have suspended operations, the number is much less than might have been expected. The condition of the Hillington Industrial Estates (just outside Glasgow) affords an illustration. Organized during the depression years of the early thirties by the Scottish Development Council, this project was a striking success. Out of 104 separate firms which established factories on the estate, only five have been obliged to cease production. All the others are producing a wide range of goods, many of which are included in the drive for overseas exports.

RECORD SUGAR YIELD

During the early months of the war, when the need for home-grown supplies was greatest, the British Sugar Corporation Limited was able to produce more than 500,000 tons of sugar from beets grown in Great Britain. This quantity was sufficient, on the present ration basis, to provide for more than the total annual requirements for domestic purposes of the civil population. It compared with an output of 300,000 tons in 1938.

The yield of beet was the highest ever recorded in Great Britain, amounting to 10·14 long tons per acre as compared with an average of 8·75 tons in the past ten years.

The crop also produced 300,000 tons of dried sugar-beet pulp, equivalent in feeding value to oats, and 3,000,000 tons of leaves and crowns, which are of higher feeding value than mangolds, swedes and turnips. This large home crop released large quantities of tonnage and foreign exchange for vital imports.

PROPOSED GAS GRID

A gas grid for the west of Scotland, to function in a manner similar to that under which the electricity supply of the country is controlled, is now under consideration. It would operate in Glasgow and the surrounding towns in the Clyde Valley, and would include the gas works of the various municipalities and the coking ovens attached to the blast furnaces in this area. The object of the scheme is to avoid waste and promote economy.

INCREASE IN FLAX CROP

Flax-pulling machines, belonging to the Ministry of Supply, are now engaged in pulling flax planted on 3,000 acres in the area stretching from

Inverness to Stirling. The flax will go to a mill at Blairgowrie for de-seeding and scutching and then to the spinners. The finished products will include hosepipe, heavy canvas, Admiralty sailcloth, and linen, and there will be enough seed saved to plant a greatly increased acreage next year.

Flax is no new crop in Scotland; in fact, the Blairgowrie mill was built over forty years ago. But farmers have done little more than dabble in it. During the last war there were about 500 acres under flax in the peak year of planting. There was a revival of interest a few years later, but the present expansion, which is due to the war, goes far beyond anything heretofore attempted. The Ministry of Supply, with the Scottish Flax Company Limited as their agents, are behind the enterprise. Two more mills, one in Aberdeenshire and the other in Fife, are possibilities in the immediate future, and a total planting of 7,000 acres is in prospect.

This year's crop is reported to be heavy, standing four feet high in places.

FARM OUTLOOK

Good progress has been made recently in harvesting. Large areas of wheat have been cut, but barley has been ripening rather slowly. A few samples of barley and oats were on offer in the Edinburgh market last week, but it is too early to say much about quality. Oats are selling readily at the control price, but at this stage it is difficult to establish a price for malting barley. Figures mentioned ranged from 70 shillings to 80 shillings per quarter.

TRADE COMMISSIONERS ON TOUR

Mr. Paul Sykes, Canadian Trade Commissioner at Bombay, India (whose territory includes Burma and Ceylon), will resume his tour of Canada on October 22, and Mr. V. E. Duclos, Canadian Trade Commissioner at Shanghai, China (whose territory includes Central China and North China), will continue his tour as previously arranged.

Their itineraries are as follows:—

Mr. Sykes

Chatham	Oct. 22	Black's Harbour and	
Moncton	Oct. 23	district	Oct. 29
Hantsport, Middleton and		Edmundston	Oct. 30
Bridgetown	Oct. 24	Quebec and district.	Oct. 31
Halifax	Oct. 25 and 26	Sherbrooke and district	Nov. 1
Saint John	Oct. 28	Granby and district	Nov. 2

Mr. Duclos

Toronto and district	Oct. 7 to 10	Stratford	Oct. 18
Hamilton and		Ingersoll	Oct. 19
Niagara Falls	Oct. 11 and 12	London	Oct. 21
Brantford and Paris	Oct. 15	Walkerville and Windsor. Oct. 22	
Galt and Guelph	Oct. 16	Ottawa and district.	Oct. 24 to 26
Kitchener	Oct. 17		

Canadian firms who wish to be brought in touch with the Trade Commissioners should communicate, for Toronto, with the Canadian Manufacturers Association, and for the other centres, with the respective Board of Trade or Chamber of Commerce.

(EXCLUDING GOLD)

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of August, 1940				Eight Months ending August, 1940				Twelve Months ending August, 1940			
	Total Imports	From United Kingdom	From United States	Total Exports	To United Kingdom	To United States	Total Exports	To United Kingdom	To United States	Total Exports	To United Kingdom	To United States
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Imports for Consumption</i>												
Agricultural and Vegetable Products.....	11,899,240	607,167	4,559,100	101,647,623	5,690,157	37,628,884	153,387,599	10,226,552				
Animals and Animal Products.....	2,429,039	405,909	1,223,111	26,434,304	2,800,289	15,643,246	39,709,880	4,281,376				
Fibres, Textiles and Textile Products.....	11,347,213	4,972,187	3,614,756	107,004,441	40,595,005	46,394,240	147,535,572	53,906,521				
Wood, Wood Products and Paper.....	3,119,550	2,975,672	2,723,149	25,304,156	1,879,930	22,424,630	38,506,615	2,863,163				
Iron and Its Products.....	30,787,801	2,693,067	27,956,405	184,091,338	15,552,249	166,325,291	261,809,146	21,807,497				
Non-Ferrous Metals and their Products.....	16,463,704	2,362,150	4,008,368	7,404,369	7,364,349	27,226,475	59,324,275	8,727,411				
Non-Metallic Minerals and their Products.....	15,594,006	2,292,587	1,014,783	101,808,423	10,403,152	80,203,511	158,846,026	14,207,826				
Chemicals and Allied Products.....	10,687,672	7,721,369	3,915,021	33,911,447	5,270,256	26,252,548	53,592,121	7,934,182				
Miscellaneous Commodities.....	10,577,633	2,336,355	7,955,780	59,020,378	15,764,159	40,939,092	78,709,728	18,306,104				
Total Imports, 1940.....	96,835,858	15,494,403	67,572,473	682,432,876	105,349,696	463,040,587	991,720,362	142,320,632				
1939.....	92,708,079	10,864,871	39,383,830	441,767,448	77,036,473	279,661,776	669,677,770	116,699,959				
1938.....	97,026,208	10,371,781	38,263,952	449,541,032	79,628,944	284,697,709	735,659,789	129,754,792				
<i>Exports (Canadian Produce)</i>												
Agricultural and Vegetable Products.....	15,705,274	6,870,083	5,893,606	149,950,954	91,055,533	36,632,720	263,622,815	127,152,703				
Animals and Animal Products.....	16,035,729	9,896,681	5,050,004	104,719,637	66,723,591	29,825,383	154,269,502	95,601,345				
Fibres, Textiles and Textile Products.....	1,942,558	671,592	168,872	14,218,120	4,493,556	1,803,994	18,943,547	5,180,839				
Wood, Wood Products and Paper.....	36,725,656	11,488,436	20,758,791	221,086,367	48,815,607	137,401,878	313,932,740	62,753,842				
Iron and Its Products.....	11,659,416	3,324,416	531,648	72,009,070	33,154,965	3,733,321	90,564,681	37,483,494				
Non-Ferrous Metals and their Products.....	17,954,269	10,339,311	6,559,237	132,005,513	68,979,449	41,089,562	194,412,611	93,934,074				
Non-Metallic Minerals and their Products.....	3,270,613	941,147	1,740,338	21,685,078	4,261,807	11,890,152	35,409,249	5,925,778				
Chemicals and Allied Products.....	3,973,758	1,135,354	1,127,491	22,233,837	6,309,052	8,214,488	31,095,217	7,876,544				
Miscellaneous Commodities.....	3,260,734	2,103,308	742,454	21,560,735	12,604,449	5,534,459	27,297,688	14,002,866				
Totals, 1940.....	110,548,017	46,790,386	42,572,441	759,469,311	336,398,059	276,125,957	1,129,548,050	449,961,442				
1939.....	75,559,608	30,369,703	26,901,533	554,847,305	214,535,859	198,972,544	870,089,708	360,766,284				
1938.....	69,110,933	26,733,545	25,261,363	522,341,574	213,458,200	164,223,044	873,931,424	367,354,774				
<i>Exports (Foreign Produce)</i>												
Totals, 1940.....	811,556	88,150	640,503	7,064,464	442,688	6,078,283	11,323,931	596,317				
1939.....	916,134	139,010	709,999	6,736,142	633,564	5,551,269	10,550,549	1,038,181				
1938.....	802,233	95,659	635,448	7,285,809	1,331,073	5,262,699	11,233,244	1,672,826				
<i>Excess of Imports (i) or all Exports (e)</i>												
Totals, 1940.....	(e) 14,523,715	(e) 31,384,133	(i) 24,359,529	(e) 84,100,899	(e) 231,491,051	(i) 180,836,647	(e) 149,151,019	(e) 308,237,127				
1939.....	(e) 13,767,663	(e) 19,643,842	(i) 11,771,998	(e) 119,816,059	(e) 138,132,950	(i) 75,137,958	(e) 210,962,487	(e) 225,104,506				
1938.....	(e) 12,886,898	(e) 16,457,423	(i) 9,367,141	(e) 80,086,351	(e) 135,160,389	(i) 115,211,966	(e) 149,504,879	(e) 239,272,808				

STANDARDS FOR ELECTRICAL MATERIALS AND APPLIANCES IN AUSTRALIA

R. P. BOWER, ASSISTANT TRADE COMMISSIONER

Sydney, August 2, 1940.—Prior to 1933 the setting up of standards to cover various electrical goods and services in New South Wales was in the hands of several different organizations. There was considerable uncertainty as to the limits and extent of the functions of the various groups, a serious amount of overlapping, and frequently insufficient authority to enforce the standards that were established.

With the advent of the depression in 1930, the unusual pressure of keen competition induced certain manufacturers and traders to sell to the public electrical materials and appliances so inferior in workmanship and design as to be dangerous. Chain stores were offering domestic toasters for the equivalent of 50 cents and other appliances at similarly low levels. As the strength of the current throughout most of the territory is 250 volts, contact with an exposed wire is highly dangerous, and during 1932 there were 43 serious accidents in New South Wales alone, of which 17 were fatal. When domestic appliances were faulty the accidents frequently affected small children, and agitation for some effective control became so insistent that in 1933 an electrical committee was appointed to advise the Government on the best methods of controlling the manufacture and sale of electrical equipment so that only safe and reliable appliances and accessories could be offered. The result was an ordinance under the Local Government Act empowering the Department of Works and Local Government to maintain specified standards for all electrical appliances and accessories offered for sale within the state.

STANDARDS ASSOCIATION OF AUSTRALIA

The task of setting the standards was given to the Standards Association of Australia, who were in a position to supply the expert opinion required for drafting standard specifications and codes and for revising them or interpreting their meaning, and also to conduct tests to determine whether or not samples submitted could comply with the regulations. The Standards Association followed the same course that they had taken on all previous moves to set standards (e.g. for boilers, aeroplanes, etc.) and adopted, wherever it was possible, the standards that applied in Great Britain. An examination of any list of specifications issued by the Standards Association of Australia (S.A.A.) reveals frequent repetition of the phrase "British Specification No. . . . 193.., endorsed without amendment." If it was felt that the British specifications did not meet Australian requirements, they were amended to comply with local conditions or else the standards of some other country (the United States or Canada) were adopted. In this way the standards supplemented the preferential tariff arrangements with the United Kingdom, since, had the standards differed widely from those in that country, affected products would be unsalable in Australia despite any tariff preferences.

As Canadian standards for electrical items are generally closer to American than to English, it is sometimes difficult for Canadian-made electrical lines to qualify for sale in Australia without some modification in design. Imported lines can be approved, however, even if they do not correspond exactly with the S.A.A. specifications, provided the Standards Association of Australia considers that they are not dangerous nor likely to become so.

SYSTEM OF OPERATION IN NEW SOUTH WALES

In New South Wales the task of indicating those items that shall be subject to these standards falls on the Electricity Advisory Committee of New South Wales (similar bodies exist in the other states). Upon approval of a recommendation by the Electricity Advisory Committee that in the interests of public safety it is desirable that articles of a certain type be subjected to the control provided in the Act, a proclamation is published in the *Government Gazette* to the effect that after a certain period articles of this type may not be sold, hired, or offered for sale in New South Wales unless they have been approved by the prescribed authorities as complying with the established standards and have been marked as authorized. The specifications governing the particular item are published at the same time as the notice, when firms who are satisfied that their offerings comply with the regulations may apply for a "registered guarantee number" and may continue to offer their products for sale stamped with this number.

The prescribed authority has the power at any time to make a test of the equipment offered by a manufacturer or importer, and if it does not comply with the specifications for that particular item, penalties may be invoked. In cases where the distributors or manufacturers wish to have their appliances tested, arrangements can be made with the Standards Association of Australia and the registered guarantee number issued if the sample is satisfactory. In order to maintain a uniformity of standards throughout the Commonwealth, provision is made in the regulations for the admittance for sale of appliances and accessories that have been approved for sale in any of the other states, provided the appliances in question bear the recognized reference number of the authorities in the other states. If a manufacturer or importer so desires, he may be allotted the same registered guarantee number in respect of each of the applications made by him from time to time and may use the one number on all proclaimed articles.

CANADIAN SUPPLIES UNDER THE REGULATIONS

Now that the war in Europe is interfering with deliveries from that area, there is every chance that Australia may have to turn more and more to North America for those electrical supplies which she cannot produce herself and which she considers essential. It is also possible that the standards will be modified to conform to Canadian practices if no sacrifice in safety is involved, or that registered guarantee numbers will be issued more or less on a temporary basis. Full details on the S.A.A. approval and test specifications are available at the Department of Trade and Commerce, Ottawa, and firms interested in examining these should make application there, quoting file No. 22943. In the event of Canadian firms being asked to quote on electrical appliances or accessories for Australia, they should consult the S.A.A. specifications before making final offers in order to ensure that their products will be acceptable to the local authorities.

Although New South Wales is specifically dealt with in this report, the regulations for the other states are sufficiently similar and the reciprocal arrangements so extensive that, if the New South Wales requirements are met with, so *ipso facto* are those of the other areas.

SOUTH AFRICAN FOREIGN TRADE, JANUARY-JUNE

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, August 27, 1940.—The official statistics covering the Union of South Africa's foreign trade for the first six months of the current year, which have just been published, indicate an increase in both imports and exports in comparison with the corresponding period of 1939. The value of all imports stood at £53,566,842 as against £47,919,923 in 1939, while the value of exports—exclusive of gold—was £18,898,233 as compared with £12,867,392. It is also now possible for the first time to note from a statistical point of view the effect which the war is having on the volume and direction of external trade.

Germany has disappeared as a trading partner except for small imports, presumably of merchandise which had been acquired before the commencement of the war. The effects of the invasion of Finland are evident with imports from that country being less than one-fifth of their 1939 level. On the other hand, there was an increase in the value of imports from all the other leading countries from which the Union purchases goods, and a marked increase in exports to the United Kingdom, Canada, Italy, the Netherlands, Japan and the United States.

TRADE BY COUNTRIES

The total value of the Union's trade with foreign countries remained much the same as during the corresponding six months of 1939. The increased value of inter-Empire trade, however, raised the grand total to its present higher level and increased the Empire ratio. In 1939, 52·7 per cent of all imports came from Empire countries and 46·1 per cent of all merchandise exports went to Empire countries. During the period under review these percentages rose to 57·5 and 58·1 per cent, respectively. Turning to individual countries, the United Kingdom supplied 43 per cent of the value of all imports. The United States came next with 20·5 per cent. Canada was third with 5 per cent in comparison with fourth position and 3·9 per cent the year before.

As regards exports, 46·4 per cent of the total value went to the United Kingdom, 10·7 per cent to the United States, 7·8 per cent to France, 5·9 per cent to Italy, 5·4 per cent to Southern Rhodesia, 4·1 per cent to Belgium, 3 per cent to Japan, and 1·3 per cent to Canada.

The value of South Africa's import and export trade with the most important countries during the first six months of 1939 and 1940 is shown in the following table:—

Imports and Exports by Countries

	Imports		Exports	
	Jan.-June, 1939	Jan.-June, 1940	Jan.-June, 1939	Jan.-June, 1940
Total British Empire	£25,263,077	£30,794,840	£ 5,930,117	£10,971,250
United Kingdom	20,634,682	23,042,121	5,662,447	8,772,236
India	1,047,870	2,048,707	175,174	332,303
Ceylon	351,636	346,767	23,323	34,824
Canada	1,843,706	2,700,754	84,099	237,376
Malaya	328,685	555,375	65,552	61,841
Australia	218,547	422,644	44,513	94,698
Total foreign countries	22,567,846	22,772,002	6,937,275	7,926,983
Belgium	1,198,087	1,175,858	753,468	784,103
Czecho-Slovakia	302,925	.....	45,574	.....
Finland	414,894	80,776	6,757	2,246
France	652,835	785,712	1,017,763	1,465,689
Germany	3,870,550	75,448	2,186,748	.....
Netherlands	811,770	525,562	191,869	256,838
Italy	577,873	777,117	580,905	1,109,649
Sweden	702,944	1,063,935	138,681	120,852
Switzerland	298,305	338,258	1,728	232,562
Japan	1,350,000	2,263,482	207,929	564,934
Iran	884,287	1,611,034	90	.....
United States	9,288,970	10,983,759	458,996	2,026,705
Netherlands India	682,970	1,004,397	49,437	52,111
Norway	171,867	287,607	70,162	71,026

TRADE BY COMMODITIES

The increase in the value of imports was distributed among all the commodity groups, although there are a number of important articles where the upward movement is particularly noticeable. These include cotton piece-goods, which rose from £1,912,203 to £3,233,274; non-enumerated textile products, from £942,150 to £1,725,588; woollen piece-goods, from £959,172 to £1,342,759; petroleum, other than motor spirit, from £733,069 to £1,733,681; and unmanufactured wood, which advanced from £863,407 to £1,109,205. There was also a marked upswing in the value of imports of steel and steel products and paper. Conversely, motor car imports registered a heavy drop from £2,187,777 to £1,034,130, while imports of motor car parts and chassis sank from £1,916,082 to £1,329,083.

As far as exports are concerned, outward shipments of wool in the grease went up in value from £4,095,942 to £5,956,247, those of corn from £508,580 to £1,353,456 and of sugar from £422,784 to £1,203,753. There was a parallel advance in the export of such products as angora hair, hides and skins, wattle bark and bark extract and citrus and deciduous fruit.

SEVERANCE OF TRADE WITH EUROPE

A report which appeared in *Commercial Intelligence Journal* No. 1873, December 23, 1939, dealt with the Union of South Africa's former trade with Germany. A second report published in *Commercial Intelligence Journal* No. 1896, June 1, 1940, referred to the Union's commercial intercourse with the countries of northern Europe. In the interval, with the broadening out of the war, trading relationships with almost the whole of the continent have been severed. The preceding table includes the value of trade during the first six months of 1939 and 1940 with the principal countries, from a South African trade viewpoint, which are affected. The importance of the five leading countries in this respect after Germany, in relationship to total imports and exports, is as appended:—

	Imports Percentage of Total	Exports Percentage of Total
Belgium	2.2	4.1
France	1.5	7.8
Netherlands	1.0	1.4
Italy	1.5	5.9
Switzerland	0.6	1.2
Total	6.8	20.4

These five highly industrialized nations were collectively important purchasers of South Africa's agricultural and mineral products and the closure of trade with them will not be without effect on this country's economy. Belgium took diamonds and wool; France purchased principally wool and, to a lesser extent, hides and skins; the Netherlands, maize and diamonds; and Italy, wool.

South African imports from these countries have been well below the level of exports to them. Generally speaking, the commodities imported from them are not of supreme consequence to Canadian trade, although there is now a wider market for textiles, dress goods and paints and varnishes from Canada.

As indicated, Belgium is the most important supplier to South Africa among the five listed. That country supplied South Africa with metal manufactures, yarns and textiles and plate, sheet and other glass. France was a source of supply for haberdashery and millinery, cotton and woollen manufactures, apparel and metal manufactures. The Netherlands supplied fertilizer, stationery and books, cotton and woollen manufactures, oil paints and varnishes; while Italy shipped cotton and woollen manufactures and hats and caps.

TABLE POTATO CROP IN THE UNITED STATES

J. P. MANION, ASSISTANT TRADE COMMISSIONER

New York, September 25, 1940.—The latest estimate of potato production in the United States points to a total of 383,172,000 bushels as compared with 364,016,000 bushels in 1939 and an average of 366,949,000 bushels for the ten years 1929-38. This forecasts a crop 5.5 per cent larger than last year and almost that amount greater than the ten-year average.

Owing to the size of the crop last year imports of potatoes amounted only to 646,000 bushels, of which 571,400 bushels came from Canada (period July 1, 1939, to June 30, 1940). Imports from Canada, therefore, were only 57 per cent of the quota allotted to Canada. At the same time, exports from the United States amounted to 2,518,600 bushels. Thus on balance there was an apparent surplus in the United States of 2,000,000 bushels, which indicates a surplus of 22,000,000 bushels nearly for the crop year just starting.

From the Canadian point of view, the returns from the whole of the United States are not so important as those from the surplus-producing states of the Atlantic seaboard.

CROPS OF ATLANTIC STATES

Estimates for the three surplus-producing states of Maine, New York and Pennsylvania are for a crop of 96,100,000 bushels as against 87,487,000 bushels in 1939 and a ten-year average of 98,875,000 bushels. Thus, although their production is almost 4 per cent lower than the 1929-1938 average, it is over 8 per cent higher than 1939 production.

Since the production of such states as New Jersey, Virginia and Kentucky is far above last year's, the demand of the consumer states should be met much more readily than in the past.

The most notable advance is in New Jersey, where the probable production is 10,150,000 bushels as against 7,480,000 bushels last year and an average of 8,004,000 bushels. This year's estimate is 36 per cent above last year's crop and 26 per cent higher than the average. Production in Virginia is expected to be 50 per cent higher than the low crop of last year, but a little below the ten-year average.

The Long Island Cobbler crop is one of the best on record and the late crop of Green Mountains has excellent prospects, despite a heavy aphid infestation during the first three weeks of July.

EASTERN PRICES

This large crop has had a depressing effect on prices. No. 1 Cobblers from Long Island are selling in New York at 90 to 95 cents per 100-pound sack as against quotations of \$1.30-\$1.40 for the similar period of last year. Green Mountains are selling from 95 cents to \$1.05, Chippewas from \$1 to \$1.05, down 30 to 50 cents from last year. Quotations range down to 40 and 50 cents for size B potatoes. New Jersey Cobblers are slightly lower than Long Islands, while Katahdins are in the same price range as Chippewas.

PRELIMINARY REPORT ON SEED POTATO MARKET IN THE EASTERN UNITED STATES

J. P. MANION, ASSISTANT TRADE COMMISSIONER

New York, September 24, 1940.—Although definitive figures are not yet available, it would appear that the United States market for Canadian seed potatoes will be greatly decreased during the forthcoming season.

The report of the United States Department of Agriculture on acreage entered for seed certification shows acreage to have increased by almost 20 per

cent. With weather conditions generally favourable, it seems probable that this increased acreage will be reflected in a similar, if not slightly greater, increase in production.

Although this is generally true of the table potato crop throughout the country, adverse weather conditions in New England during July may have some deterrent effect on seed potato crops in the most important of these states. Maine prospects are extremely variable because of heavy showers, which have caused considerable "washing out" of the crop and some loss of fertilizer through leaching. Damage, however, is not as severe as that of last year and the yield of table potatoes is estimated at 255 bushels to the acre as against 225 bushels last year and an average of 269 bushels over 1929-1938.

ACREAGE AND YIELD

The following are the figures for acreage entered for seed certification in the four important northeastern states of Maine, New York, Pennsylvania and Vermont:—

Acres Entered for Seed Certification, 1939 and 1940

	1940 Acres	1939 Acres	Increase Per Cent
Maine	40,305	33,655	19.8
New York	2,161	1,868	15.7
Pennsylvania	1,521	1,208	25.9
Vermont	451	419	7.6
Total	44,438	37,150	19.7

The figures in the foregoing table represent 40 per cent of United States sowings for seed, nearly the whole of the remainder coming from North Dakota, Minnesota and Nebraska.

On ordinary potatoes, the indicated yields per acre this year and in 1939 are as follows:—

Indicated Yield Per Acre, 1939 and 1940

	1940 Bushels	1939 Bushels	Inc. or Dec. Per Cent
Maine	255	225	+ 13
New York	126	127	— 1
Pennsylvania	120	120	*
Vermont	125	130	— 4

* No change.

If yields of seed potatoes follow the expected yields for table potatoes, seed production may be up 36 per cent in Maine, 15 per cent in New York, 26 per cent in Pennsylvania and 3.5 per cent in Vermont.

Since production in Maine last year was 6,329,456 bushels, the foregoing figures would indicate an estimated production of 8,500,000 bushels in that state; while New York might increase from 401,130 bushels to 460,000 bushels, Pennsylvania from 183,166 bushels to 229,000 bushels, and Vermont from 112,874 to 117,000 bushels.

OUTLOOK FOR CANADIAN SALES

These increases would mean for these four states a total of 9,300,000 bushels as against 7,026,626 bushels in 1939, making an increase greater than the total quota of 1,500,000 bushels granted to Canada. Since only 1,234,162 bushels, or 82.2 per cent, of the quota was used by Canada during the period September 15, 1939, to August 3, 1940, it is suggested that increased United States production will still further reduce Canada's utilization of the quota. Canadian acreage has also increased by 14 per cent. These combined factors should make for aggressive competition and consequently low prices.

It must be stressed, however, that these conclusions are based on estimated production of table potatoes. Other factors, such as disease and adverse weather conditions, may possibly combine to reduce the proportion of potatoes suitable for certification, in which case the situation would be altered to the benefit of the Canadian grower.

It is interesting to note that the acreage intended for seed planted to Katahdins has increased by 43 per cent in the northeastern states, following a movement started by Canada in the preceding year. Nearly 11,000 acres have been so planted this year, an acreage nearly equal to that planted in Cobblers and equal to about 23 per cent of total acreage. Canadian acreage in this variety is 13 per cent of the total and has increased by 46 per cent this year. Seedlings in Cobblers have increased by only 12 per cent, while those in Green Mountains were nearly the same as last year, having advanced only 3 per cent. Since the latter is the main variety seeded in Canada, this evident lack of interest among United States seed producers may react to the benefit of Canada. Long Island takes a large quantity of this seed, and New Jersey, Virginia, North and South Carolina and Georgia take lesser quantities. Main points of entry are New York for the northern area and Norfolk, Virginia, for the southern states. Quotations should be on hand for delivery in October and November to these states.

UNITED STATES HAY CROP

J. P. MANION, ASSISTANT TRADE COMMISSIONER

New York, September 23, 1940.—According to the September 1 estimate of hay crops just released by the United States Department of Agriculture, this year's hay crop has only been exceeded three times in the past, in the years 1916, 1922 and 1927. The crop is expected to reach 93 million tons as compared with 84½ million tons in 1939 and a 10-year average over 1929-1938 of 79 million tons. This year's crop is, therefore, 10 per cent higher than last year's, and 17½ per cent higher than the average. The large crop is the result of both increased acreage and higher yields in all the important hay-producing states east of the plains, as well as in Texas, Oklahoma and California. In Nebraska and Colorado, and some other western states, the crop is below normal.

ALFALFA

The foregoing figures include all types of hay, including alfalfa hay, clover and timothy, other tame hay and wild hay. It is interesting to note that production of alfalfa hay is expected to be 30,258,000 tons as against 27,035,000 tons in 1939 and a 10-year average of 24,597,000 tons. This crop is 11 per cent higher than last year and over 20 per cent higher than average. Production is well above average in nearly all states except Nebraska, Kansas, South Dakota and Colorado.

TIMOTHY AND CLOVER

Production of timothy and clover hay will be about 28,392,000 tons as against 23,640,000 tons last year and an average of 26,030,000 tons. This production is 22 per cent higher than that of last year and 8 per cent higher than the average. The only states with short crops are Maine, Minnesota and Missouri.

The most important market for Canadian hay has usually been in the northeast Atlantic seaboard states. The production of clover and timothy hay in New York, New Jersey, Pennsylvania and the six New England states is expected to be 9,281,000 tons as compared with 7,635,000 tons last year and an average of 8,903,000 tons. New York has the most notable advance in

production this year, the estimated total crop being 4,119,000 tons as against 3,152,000 tons last year and 3,928,000 tons over the average period. Maine's short crop, amounting to 480,000 tons as against 484,000 tons last year and 532,000 tons over the average, will be of little consequence in view of excellent prospects in all surrounding states.

NEW YORK AND BOSTON PRICES

Prices of hay in New York and Boston are about as follows:—

No. 1 Timothy.. . . .	\$18.00—\$19.00 per ton
No. 2 Timothy.. . . .	16.00— 17.00 “
No. 3 Timothy.. . . .	14.00— 15.00 “
No. 1 Mixed Clover.. . . .	22.00— “
No. 2 Mixed Clover.. . . .	17.00— 18.00 “
New Hay, No. 3.. . . .	14.00— 15.00 “

It should be borne in mind that these are wholesale prices, including about \$2 to cover commission and handling charges. The duty on hay entering the United States is \$2.50 per short ton. Thus Canadian prices c.i.f. these centres would have to be calculated on a basis \$4.50 lower than the above quotations in order to find a market.

POINTS FOR EXPORTERS TO ARGENTINA

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, September 13, 1940.—The Republic of Argentina is in the southern half of South America. It extends from 21° to 54° south latitude, and has an area of 1,112,743 square miles. Buenos Aires, the capital and principal port of Argentina, is 5,701 miles from Halifax and 6,124 miles from London. Buenos Aires is as modern in every way as any large city in North America.

Argentina is bounded on the north by Bolivia and Paraguay; on the west the Andes Mountains separate Argentina from Chile; on the east are Brazil and Uruguay and the Atlantic ocean. Argentina extends south to the Antarctic Ocean.

CLIMATE

The northern part of Argentina has a sub-tropical climate and such products as citrus fruits and sugar cane are grown. The central section of the country, which supports the bulk of the population, has a temperate climate. This section comprises the fertile plains that carry the large numbers of cattle and sheep and produce the wheat, corn and flaxseed and other grains of Argentina. In the foothills of the Andes apples, pears, grapes and other temperate fruits are grown. There are frosts in winter, but there is no snow in this section of Argentina. The southern part of Argentina (Patagonia) has a severe winter climate. It is sparsely inhabited and is pastoral. Sheep grazing is the sole industry. The seasons in Argentina are the reverse of the seasons in Canada.

POPULATION

Argentina has a total population of 12,761,000. The city of Buenos Aires, the capital, has a population of 3,300,000, including the suburbs. The only other city of any commercial importance is Rosario, with 850,000 population. Rosario is one of the largest grain shipping ports in the world, but it is almost entirely dependent commercially on wholesale firms in Buenos Aires.

The people of Argentina are almost entirely of Latin extraction. They are essentially the product of immigration to the country since 1895, when the agricultural and pastoral industries first began to develop on a large scale.

There is an influential nucleus of descendants of the early Spanish colonists, but probably 80 per cent of the population is represented by immigrants or first and second generation descendants from immigrants who have come from Spain, Italy and, to a much lesser extent, from Poland, Russia and the Balkan countries. The British and United States colonies are for the most part directly or indirectly connected with enterprises of their own nationality operating in Argentina.

STANDARD OF LIVING

Despite the fact that Argentina is a large producer and exporter of meats and grain, less than 25 per cent of the population is rural or dwell in small towns. Live-stock raising is a large scale enterprise, and grain is grown mostly by share-croppers operating on a fairly large scale. Approximately one-third of the entire population is in the two cities of Buenos Aires and Rosario. These two cities account for a disproportionately large part of the purchasing power of the country.

The standard of living in the main urban centres is comparatively high as regards food, clothing and housing. Automobiles are beyond the purchasing power of the vast majority of workers. Wages and salaries in the low and lower-middle income groups are considerably below North American levels, but staple foods such as meats and vegetables are cheaper in Argentina. A minimum of fuel is necessary for heating, and heavy winter clothing is not required. Consequently real incomes are higher for workmen in Argentina than a comparison based on wage rates would seem to indicate. Manufacturing costs are lower than in North America, and labour is efficient. Social legislation is being introduced on an increasing scale for the protection of employees. A comparatively small proportion of the urban population enjoys high incomes. However, there is a very limited market in Argentina for imported semi-luxury or luxury consumer goods of high quality as compared with Canada or the United States. There is only limited use of labour-saving household appliances, due to the availability of domestic servants at reasonable wages and the high cost of electric power.

INDUSTRIES

The fertile alluvial plains in central Argentina are particularly well suited to the grazing of cattle and sheep and the production of corn, wheat, flaxseed, oats, barley and rye. Argentina produces a larger proportion of high-grade cattle and at a lower cost than any other country. Agricultural and live-stock products account for over 90 per cent of all exports from Argentina. The principal exports are chilled and frozen beef; tinned corned beef; frozen mutton; hides, wool and other animal by- and sub-products; wheat; corn; flaxseed; oats; barley; rye; millet; oilcakes; wheat flour; bran and other mill by-products; raw cotton; quebracho extract—a wood extract for tanning; grapes; apples; and pears. The United Kingdom is the principal consumer of Argentine meats.

The manufacturing industries in Argentina are highly developed and have been greatly expanded during the past ten years under ample tariff protection. There were 580,497 persons employed in manufacturing establishments in Argentina at the beginning of 1938, or approximately the same number that are employed in Canadian manufacturing industries. This employment was distributed in part as follows: foodstuffs, including meat-packing plants, 120,143; textiles, 91,902; chemicals and parts, 16,693; paper, 8,961; rubber manufactures, 5,270; leather, 19,097; metals and manufactures, 48,490; machinery and vehicles, 59,521; glassware, earthenware, etc., 23,328; and construction, 52,718. The majority of the manufacturing industries are located in Buenos Aires.

Argentina has no coal or hydro-electric power nor iron ore. Lead is the only important mineral found in Argentina. There are no softwood forest resources, so that the lumber has to be imported for construction work. Cement

is manufactured in Argentina, and practically all building construction is of reinforced concrete. Consequently the manufacturing industries are based largely on imported raw and semi-fabricated materials, parts, and imported fuel for power. Nevertheless this handicap is partly offset by the fact that industry has a domestic market largely concentrated in a small area. Specialized industrial and transportation machinery and equipment and certain quality tools and equipment are imported, but the bulk of the manufactured goods that go directly to the consumer are produced, or assembled from imported parts, in Argentina. There are no imports of made-up clothing.

IMPORTING CENTRES

The import trade of Argentina is practically confined to firms located in the city of Buenos Aires. It is only in the case of exceptional products, such as lumber, farm implements, or farm tools, that sales may be made to firms in other centres, and even in these instances sales would be made through firms in Buenos Aires. Consequently quotations should be c.i.f. Buenos Aires.

REPRESENTATION

The type of representation required depends, of course, on the class of goods offered. The majority of the larger American firms selling in Argentina now have their own local branches or at least have a factory representative attached permanently to the staff of a local importing or distributing house. In many cases the latter becomes to all intents and purposes a branch of the exporter, or the exporter has some say in the lines that may be handled by the local firm. In fact the old-time type of general importing merchant that has survived is generally the one that has made such an arrangement. Direct representation is almost essential when post-sale service is necessary or advisable and where technical knowledge of the product is a factor in sales. Further increasing tariff protection to local industry and import restrictions make partial local assembly or part local manufacture necessary now in many lines of manufactured goods that are saleable in Argentina. In staple products, such as paper, lumber, iron and steel sheets, angles, piping, seed potatoes, wire, etc., the services of a local commission agent or exclusive importer-distributor can be utilized. The tendency, however, is towards closer and more direct contact between the exporter and the consumer in Argentina.

CHARACTERISTICS OF THE MARKET

Argentina is not a difficult market in which to do business. However, it is a highly competitive one. There are no tariff preferences, with one or two exceptions such as on codfish from Norway, Iceland and the United Kingdom and on lumber from Brazil, so that in normal times the Argentine buyer can compare offers on the basis of price, terms of payment and quality from the United Kingdom, Europe, North America, and Japan.

Argentina is not a price market to the extent that some countries where the standard of living is low are necessarily price markets. However, price does come before quality, and Argentines are not impressed by durability as a selling argument. They favour more immediate performance, up-to-date design, and appearance. The emphasis is on the more immediate return from an investment.

LANGUAGE

Spanish is the language of Argentina. English is only spoken by those having direct business contacts with the United Kingdom or North America. However, exporters will encounter on few occasions any difficulty with the

language. The exporter must have some contact in Argentina in the way of an agent or distributor, and in the vast majority of cases any suitable or experienced representative of this type knows English. It is convenient for the exporter to know a little Spanish if he is going to visit this market, but this is not necessary from the point of view of his business. The exporter should not be deterred from paying a business visit to Argentina through any feeling of a lack of even an elementary knowledge of Spanish.

MARKET POSSIBILITIES

The classes of commodities which could be exported to Argentina from Canada and the United States in normal times depended on (a) whether the commodities were produced or manufactured in Argentina itself and (b) competition from the United Kingdom, Continental Europe, and Japan. The following list of commodities, in order of importance, represented some 75 per cent of the total pre-war exports of the United States to Argentina: automobiles, trucks and parts (20 per cent); agricultural machinery; oil, machinery and equipment for the petroleum industry; chemicals; Southern pine and Douglas fir lumber; radio parts; leaf tobacco; typewriters; sulphur; photographic materials; motion-picture films; electric refrigerator parts; cellulose tissue; binder twine; and calculating machines.

Included in the remaining 25 per cent were such items as: dried prunes; toilet paper; blotting paper; piping; chains; wire; bolts and nuts; razor blades; bearings; springs; windmill parts; copper and aluminium ingots and sheets; abrasives; dry cells; battery parts; and telephone materials.

IMPORTS FROM CANADA

Agricultural implements, certified seed potatoes and newsprint represent over 75 per cent of the imports from Canada into Argentina. Other important items purchased from the Dominion are raw asbestos fibre; fresh apples (seasonal and subject to quota); lumber; refractories; silk yarns; valves; piping; needles; sundry rubber goods, although the rubber manufacturing industry is now well established in Argentina; automobile parts and accessories; aluminium and copper; telephone materials; brushes.

Argentine sales to Canada and the United States are fairly well confined to flaxseed; raw wool; corn; cattle hides; corned beef and quebracho (tanning extract); and grapes and pears in season.

Since the outbreak of war in Europe, Argentina has been obliged to buy an increased quantity of certain essential commodities from North America. The limiting factor on sales, however, is the absolute necessity of conserving dollar exchange resources by Argentina. For this reason the country will have to do without many things formerly considered necessary. A list of the principal commodities that are admitted to Argentina is available to interested Canadian firms on application to the Department of Trade and Commerce, Ottawa.

IMPORT CONTROL

The Argentine Government controls all imports of goods into Argentina. An import permit is required in respect of each importation of merchandise. The import permit is the authority for the purchaser of the goods to remit the corresponding exchange to the exporter. The purpose of the import control system is to keep aggregate imports of goods into Argentina within the capacity of the country to pay for them and to direct purchases to the countries which are the largest consumers of Argentine exports. If a particular class of goods is admissible under the import regulations from Canada, or is admissible subject

to a quota, the Canadian exporter of such goods competes on an equal basis with exporters in other supplying countries, at least until the quota, if a quota applies, is exhausted. The classes of goods admissible freely, or subject to quotas, from the United States and Canada comprise in general raw materials, semi-fabricated products and parts, typical North American manufactured goods, and equipment and products not available at all or not readily available from the United Kingdom or Europe. Interested exporters should inquire as to the position in their respective cases.

The import and exchange regulations really protect the exporters who happen to be able to get their goods into Argentina under the regulations.

CUSTOMS TARIFF

The Argentine customs tariff consists of both specific and ad valorem duties. The ad valorem duties are based on arbitrary appraisal values and not on declared or invoice values. Generally the duties are high and where protection of a home industry is involved they are in most cases prohibitive. The customs is an important source of government revenue. Since duties are levied on a weight basis, care must be exercised in packing in order to avoid unnecessary duty payments.

DOCUMENTATION

The preparation of documents is not difficult, but the exporter must follow, of course, the regulations, as otherwise fines will be incurred. The exporter should also pay close attention to any instructions from his agent or customer as to invoice declarations or on other points, as these are generally intended to save duties and charges or avoid fines. Details of the documentation requirements of Argentina are available in leaflet form on application to the Department of Trade and Commerce, Ottawa.

The documents must reach Buenos Aires not later than eight days after the arrival of the goods, otherwise a 2 per cent fine is incurred. Marks and serial numbers on packages must conform to those on the bill of lading. The total gross and the net weights must be shown in the metric system. Most of the customs duties are assessed on the legal net weight inclusive of immediate packing. Any error in declaring weights may result in heavy fines, and too much care cannot be taken to see that only accurate details are given.

SAMPLES

The parcel post declaration form must not be used in sending samples. The samples should be sent by sample post, where possible, in packages weighing less than one pound. No documents are required in such cases. This practice is to avoid heavy fixed charges for clearing samples.

The parcel post declaration should not be used for catalogues. All catalogues, pamphlets and books should be mailed as printed matter.

PARCEL POST

Commercial parcel post shipments may be made, subject to the regulations of the Canadian Post Office Department. The only documents required in respect of parcel post shipments valued at under 550 pesos are those received from the post office. A minimum charge is levied in Argentina by the authorities on each declaration. A maximum of three parcels weighing up to twenty pounds may be sent on each declaration.

ARGENTINE CONSULS IN CANADA

Argentine Consulates in Canada are located at Ottawa, Montreal, Quebec City, Saint John, Vancouver.

The consular and commercial invoices covering shipments to Argentina, except the parcel post shipments referred to above, must be legalized at the nearest Argentine Consulate in Canada to the point of shipment from Canada. All shipments via the United States must be legalized in Canada.

PACKING

There are no special requirements for packing goods for Argentina. The buyer's instructions should be followed carefully, however, since special packing instructions are given with a view to reducing the import duties, which are payable on a weight basis.

MARKING REQUIREMENTS

The marking requirements for the Argentine market are exacting, and goods must be marked "Made in Canada." Special marking legislation applies to preserved foodstuffs, medicines, and pharmaceutical goods. The buyer's instructions should be followed implicitly.

TRADE MARKS

It is important that the exporter register his trade marks and under his own name in Argentina. A local trade mark attorney should be consulted.

WEIGHTS AND MEASURES

Argentina uses the metric system. All weights and measures given in documents must be in the metric system.

SELLING TERMS AND CREDITS

In normal times Argentine importers have become accustomed to fairly generous credit terms and facilities from European shippers. Other factors, such as quality and type of goods, being equal, the exporter who has the necessary intimate knowledge of the market and of the buyers or, alternately, has a branch, distributor or representative in Argentina in whose judgment he has confidence and so can grant credit facilities, has an advantage in selling in Argentina. On the other hand many staple commodities can be sold under an irrevocable letter of credit, if prices quoted justify these terms to the buyer. The exporter should consult his bankers in each case.

BANKS

The Royal Bank of Canada has a branch in Buenos Aires. The other Canadian banks have ample facilities for obtaining credit information and negotiating drafts through reliable correspondents in Buenos Aires. There are two large United States and one large British bank with branches in Argentina. Dun and Bradstreet also have a branch in Buenos Aires.

SHIPPING FACILITIES

There are no regular shipping lines operating direct between Eastern Canadian ports and Buenos Aires. Information on shipping lines operating out of New York and Vancouver and on occasional direct services from Eastern Canada may be obtained from the Department of Trade and Commerce at Ottawa or from local railway agents. Exporters just entering the Argentine market may find it convenient to utilize the facilities offered by forwarding agents in Montreal and other Canadian ports or New York for preparing documents on shipments to Argentina. The names of experienced forwarders may be obtained from the Department of Trade and Commerce at Ottawa or from railway agents.

AIR MAIL SERVICES

There is a daily air mail service both ways between Canada and Buenos Aires, operated by Pan-American Airways. The air time between New York and Buenos Aires is under four days, whereas ocean mail takes upwards of three weeks, and frequently four weeks, with the less frequent wartime services. Consequently correspondence of any importance should be sent air mail.

GRAIN SITUATION IN ARGENTINA

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, September 19, 1940.—The first official estimate of the acreage seeded in Argentina for the harvest in December next shows a decrease of 4.4 per cent for wheat as compared with last season. This decrease is due to the heavy rains which prevented seeding in some areas.

The following table shows the acreages of the different grains sown in the current season, the figures for the two preceding seasons, and the five- and ten-year averages:—

Grain Acreages in Argentina

	1940-41 Acres	1939-40 Acres	1938-39 Acres	5-Year Average Acres	10-Year Average Acres
Wheat	17,049,900	17,832,708	20,867,595	18,567,328	18,972,333
Flaxseed	6,671,700	7,599,551	6,607,454	7,300,411	7,500,950
Barley	2,055,872	2,121,489	2,053,400	1,900,668	1,771,499
Oats	3,706,500	3,446,153	3,360,560	3,546,846	3,588,794
Rye	2,718,100	2,295,683	2,253,552	2,479,708	2,062,423
Millet	124,291	125,393	118,361	135,003	123,891
Total	32,326,363	33,420,977	35,260,922	33,929,964	34,019,890

The general condition of the present grain crop is favourable now. Argentina is planting her corn crop this month.

GRAIN SURPLUSES

Argentina harvested poor grain crops last season except for corn. The wheat crop of 1938-39, however, had been the second largest on record and Argentina had a carryover of something under 100 million bushels of wheat into the present crop year, which ends December 1. However Argentina has had no export surplus problem for wheat, flaxseed or the coarse grains so far. On the other hand, Argentina may expect to have a carryover of around 240 million bushels of corn at the close of the corn crop year on March 31, 1941. Unfortunately corn cannot be stored for a very long period here.

EXPORTS OF GRAIN

The following table shows the exports of grain from Argentina during the twelve months—the first year of the war—ending August 31, 1940, as compared with the corresponding periods of 1938-39 and 1937-38, also the export surplus at September 1, 1940:—

Argentine Grain Shipments and Surplus

	Sept., 1939 to Aug., 1940 Bushels	Sept., 1938 to Aug., 1939 Bushels	Sept., 1937 to Aug., 1938 Bushels	Surplus at Sept., 1940 Bushels ¹
Wheat	169,272,000	128,159,000	68,466,000	17,410,682 (3 mos.)
Corn	96,443,000	149,092,000	166,551,000	281,028,808 (7 mos.)
Flaxseed	34,777,000	55,873,000	47,073,000	7,121,442 (3 mos.)
Oats	22,978,000	17,237,000	28,811,000	Not available
Barley	17,295,000	9,799,000	10,118,000	Not available
	Barrels	Barrels	Barrels	
Wheat flour	982,000	1,051,000	908,000	Not available

¹ 3 months and 7 months remain in the present crop year.

Argentina has lost her markets in Europe for corn, although six million bushels have just been sold for Spain. The United Kingdom is buying little corn here. Consequently the outlook for corn is far from good for Argentina. Argentina has lost as well her very important European markets for flaxseed and oil cakes. In addition the large crop of flaxseed in North America will probably reduce the export demand to a very low level for the next crop.

The Argentine Government has purchased the 1940 corn crop from growers at a fixed price equivalent to 32 cents Canadian per bushel at Buenos Aires.

TRADE OF CUBA IN 1939

MAURICE BÉLANGER, ACTING TRADE COMMISSIONER

(Values are in Cuban pesos unless otherwise stated; the peso is approximately equal to the Canadian dollar.)

Havana, September 9, 1940.—The total trade of Cuba in 1939, according to official Cuban statistics, is valued at \$253,538,000 as compared with \$248,685,000 in 1938. The increase of nearly \$5,000,000 is accounted for entirely by a higher value of exports, the value of total imports being slightly lower than in the previous year.

The favourable visible balance of trade was increased from \$36,670,427 in 1938 to \$41,814,000 in 1939, but remained considerably below the figure for 1937 (\$56·5 millions). In considering this aspect of Cuban trade it is important to keep in mind that Cuba's invisible balance is consistently unfavourable. This is a chronic condition due to heavy interest payments on foreign capital invested in Cuba, the cost of freight and insurance services and similar items which can only be offset by income from exports and to a small extent by income from the tourist trade. It is estimated that, in order to compensate these debit items and maintain a sound financial position, Cuba needs an average favourable balance of commodity trade approximating \$65 millions annually. Under present conditions it is difficult to determine how this desirable result can be obtained unless average prices of sugar, Cuba's main item of production and export, reach a much higher level than at present.

The average favourable trade balance since the creation of the republic (1902) is close to \$57 millions, or about \$15 millions higher than the figure for 1939. In comparison the average yearly favourable balance for the period 1914 to 1918 inclusive was \$94 millions, for 1919-23 it reached \$134 millions, and from 1924 to 1928 the yearly average was \$75 millions.

EXPORTS

Total exports to all countries in 1939 were valued at \$147,676,258 as compared with \$142,677,752 in 1938, an increase of close to \$5 millions. The average yearly value of exports since the creation of the republic is \$225 millions, or approximately \$77 millions more than last year. The highest level reached was in 1920, when the total value of Cuban exports was \$794 millions.

Sugar and its derivatives accounted for close to 80 per cent of Cuba's total exports in 1939. The price of this commodity is therefore of paramount importance to this country and has the greatest bearing on the total value of exports. The increase in the value of exports in 1939 as compared with 1938 is more than accounted for by the increased value of total exports of sugar and its derivatives, the increase for these items alone being over \$6 millions. This improvement, however, was not due to higher prices but to greater volume of exports, particularly of refined sugar. The average export value of refined sugar was \$0·0277 per pound in 1939 as compared with \$0·0369

in 1938, but the quantity exported in 1939 was 236,728,000 pounds greater than in 1938. The average export value of raw sugar remained about the same, and the volume of exports was increased slightly.

EXPORTS BY COMMODITY GROUPS

The total values of exports by main commodity groups in 1939 and 1938 were as follows:—

	1939	1938
Sugar and sugar products	\$117,125,169	\$112,399,340
Tobacco and tobacco products	14,090,586	13,539,525
Stones, earths, and mineral products	4,756,904	5,398,567
Food products	5,845,839	5,074,169
Animals and animal products	2,397,808	2,765,396
Forest products	1,355,955	1,434,217
Metal and metal products	1,124,469	1,160,912
Chemical and perfumery products	78,857	64,944
Miscellaneous	900,671	840,682
Totals	\$147,676,258	\$142,677,752

Sugar and other cane products maintained their predominant position in Cuba's export trade, shipments of these products accounting for approximately 80 per cent of the year's total. Raw sugar accounted for \$84,216,000, an increase of about \$2 millions over the figure for the previous year, and refined sugar exports were valued at \$21,633,000, an increase of over \$4 millions as compared with 1938. Exports of molasses were valued at \$4,433,000, approximately the same as in 1938, while inverted syrup exports, valued at \$4,459,000, were approximately \$1½ millions lower. Exports of rum were slightly higher than in the previous year, being valued at \$987,000 as compared with \$928,000.

Tobacco is also an important crop in Cuba and normally accounts for approximately 10 per cent of total exports. The total value of exports of tobacco and tobacco products in 1939 was slightly over \$14 millions, of which unmanufactured leaf accounted for over \$11 millions; cigars for \$2,967,803; cigarettes for \$56,000, and cut tobacco for \$8,873.

In the stones, earths, and mineral products group, manganese displaced copper as the leading export item, but values for both these items were lower than in the previous year. Concentrates of manganese were exported to the value of \$1,801,000 as compared with \$2,255,000 in 1938. The value of exports of copper concentrates was \$1,666,471 in 1939 as compared with \$2,342,119 in the previous year. Exports of iron ore were considerably higher at \$482,264 as compared with \$238,717. Chrome ore also showed a sizable increase, from \$175,301 in 1938 to \$362,743 in 1939. Exports of gold-bearing ores at \$134,799 were approximately the same as last year.

Asphalt is the only important item in the sub-group including asphalt and related products. Exports of asphalt in 1939 were valued at \$98,573 as compared with \$92,585 in 1938.

There was a slight increase in exports in the food products group. Fresh fruit, shipments of which were valued at \$2,928,671, was the leading item, bananas alone accounting for almost \$2 millions and pineapples for \$808,000. Other important items in this group were: fresh vegetables, cereals and grains (\$2,050,052); confectionery and jams (\$617,190); meats, fish, and milk products (\$249,926).

Exports in the animal and animal products group decreased slightly in value. The main items were raw hides and skins valued at \$1,061,650, of which salted hides accounted for over a million dollars. Other items were: bee products (honey and wax), \$749,719; manufactured leather, \$17,662; and tankage, exports of which increased from \$46,756 in 1938 to \$143,128 in 1939.

In the forest products group the main items were raw fibres (mostly sisal and hennequen), exports of which were valued at \$756,508; manu-

factured fibres, approximately \$203,000; sawn mahogany, \$14,000; mahogany in logs, \$10,800; cedar veneer, \$52,600.

In the metals and metal products group the most important item is used automobiles, exports of which had a value of \$382,394. Other large items are scrap steel, \$269,000; new machinery and spare parts, \$122,000; used machinery and spare parts, \$141,648.

Pharmaceutical and biological products accounted for almost the whole export value of the unimportant chemicals and perfumery products group.

In the miscellaneous group sponges were by far the most important item, accounting for \$468,268.

EXPORTS BY COUNTRIES

The following table lists Cuba's most important markets in order of importance in 1939, with comparative values of exports to each in that and the preceding year:—

	1939	1938
United States	\$111,189,681	\$108,362,605
United Kingdom	17,982,979	19,602,225
Spain	2,205,208	1,292,415
Norway	1,965,377	309,114
France	1,752,974	2,052,732
Germany	1,471,075	2,754,870
Switzerland	1,435,931	360,239
Belgium	1,398,445	2,053,872
Holland	1,391,847	589,395
Canada	634,503	334,967

As shown above, the United States was by far the largest purchaser of Cuban goods, taking approximately 75 per cent of the total exports in 1939. This surprisingly high percentage is due mostly to the Cuba-United States Trade Agreement, under the terms of which the United States grants to Cuba a greatly reduced rate of duty on an annual quota of 1,660,000 tons of 96° sugar. Within the limit of this quota Cuban sugar pays duty at the rate of U.S.\$0.90 per cwt., instead of the regular rate of U.S.\$2.50. Any Cuban sugar imported into the United States over and above the limit of this quota is dutiable at the rate of U.S.\$1.50 per cwt. Sales of Cuban sugar to the United States in 1939 totalled approximately 1,821,000 long tons for raw sugar, and 361,000 long tons for refined sugar. The United States also absorbs a large proportion of Cuba's exports of molasses, syrups and rum. Other factors also tend to increase the dependence of Cuba on the United States, such as: proximity of United States markets, excellent shipping facilities, and large United States investments in Cuban industry. The share of the United States in Cuba's total exports averages about 80 per cent. It has risen to as high as 86 per cent and has never gone below 73 per cent.

The United Kingdom is the second best purchaser of Cuban products, the main items being sugar and cigars. Exports of Cuban raw sugar to the United Kingdom in 1939 were valued at about \$12,632,900. There are no sales of refined sugar, but fairly substantial shipments of molasses, syrups and rum. In addition to its own requirements, the United Kingdom purchases large quantities of Cuban raw sugar for refining and re-export. The share of Cuban exports taken by the United Kingdom in 1939 was 12·18 per cent as compared with 13·74 per cent in 1938.

The other countries taking one per cent or more of Cuban exports were: Spain (1·49 per cent), Norway (1·33), France (1·19), and Germany (1 per cent). Germany fell from third place in 1938 to sixth place in 1939 in the list of Cuba's main markets.

IMPORTS

The total value of imports into Cuba in 1939 amounted to \$105,862,000 as compared with \$106,007,000 in 1938, a decrease of \$145,000. The highest

total reached was in 1920, when Cuban imports were valued at \$557,017,000. The average for the past ten years, however, is only approximately \$95 millions, about 10 per cent below the 1939 figure.

The level of Cuban imports is to a great extent dependent upon the returns from the sugar crop and the value of Cuban sugar exports. The low prices obtained for sugar throughout 1939 prevented an increase in purchasing power. Until this condition is corrected, it cannot be expected that total imports will increase appreciably.

IMPORTS BY COMMODITY GROUPS

The total values of imports by commodity groups for 1939 and 1938 were as follows:—

	1939	1938
Foodstuffs and beverages	\$ 26,404,868	\$ 29,703,565
Materials used in pharmacy and chemical industries.	11,807,634	11,023,216
Stones, earths, minerals, glass, ceramics	11,131,977	9,908,810
Cotton and cotton manufactures	11,103,949	10,043,025
Machinery, instruments and vehicles	10,963,367	12,507,620
Metals and metal manufactures	9,970,619	9,391,124
Vegetable fibres, rayon, and manufactures thereof.	7,797,037	7,440,645
Paper and paper manufactures	4,775,377	4,735,290
Wood and wood manufactures	2,417,496	2,653,938
Animals and animal products	2,210,569	2,113,011
Wool, hair, bristles, and manufactures	1,295,037	1,559,522
Silk and silk manufactures	460,885	482,318
Tobacco and manufactures	144,541	128,194
Miscellaneous	4,368,143	3,917,904
Goods entering under duty-free privilege through special concessions (franquicies)	1,010,315	399,143
Total	\$105,861,814	\$106,007,325

Imports of foodstuffs and beverages, ranking first in importance, decreased by over \$3,000,000 in value and comprised the following items; for purposes of comparison the 1938 figures are shown in parentheses: meats and fats, \$4,386,125 (\$5,421,862); fresh, dried and salted fish, \$883,471 (\$1,087,209); eggs, \$2,471 (\$3,857); cereals, meals and flours, \$13,147,571 (\$14,435,007); fresh vegetables and fruits, \$4,087,085 (\$4,051,353); seeds and feeds for animals, \$177,693 (\$230,331); canned and preserved foods, \$1,147,258 (\$1,185,059); refined cooking oils, \$1,282,740 (\$1,983,760); wines and liquors, \$709,611 (\$806,249); other foodstuffs, \$580,843 (\$498,878).

Next in value were pharmaceuticals and industrial chemicals, the value for which increased from \$11,023,216 in 1938 to \$11,807,634 in 1939. Sub-groups under this heading were as follows: simple drugs, \$1,658,899 (\$1,546,221); dry colours, dyes, paints, and varnishes, \$1,049,953 (\$931,596); chemical and pharmaceutical products, \$6,413,994 (\$6,054,301); crude fats and oils, \$1,464,697 (\$1,310,017); soaps and perfumery, \$594,850 (\$610,629); fertilizers, starches, explosives, and other miscellaneous products, \$625,841 (\$570,452).

The third group, stones, earths, minerals, glass, and ceramics, was made up of: stones and earths, \$397,530 (\$345,630); coal, slate, asphalt and its derivatives, \$7,977,340 (\$6,662,102); minerals, \$644 (\$37); crystal, glass and glassware, \$1,957,392 (\$2,021,107); earthenware, cement, clay, porcelain and similar products, \$799,071 (\$879,934).

Imports of cotton and cotton manufactures increased from \$10,043,025 in 1938 to \$11,103,949. This group comprised the following items: raw cotton, cotton waste and cotton yarns, \$2,878,683 (\$2,275,460); and cotton textiles and made-up cotton goods, \$8,225,266 (\$7,767,565).

Machinery, instruments and apparatus, and vehicles were fifth in importance, showing a decrease of over \$2,000,000. Specific items were: musical instruments, \$877,178 (\$951,821); clocks and watches, \$141,090 (\$149,337); scientific

instruments and apparatus, scales of all types, \$112,098 (\$138,810); machinery and apparatus, \$6,605,436 (\$7,117,077); railway coaches, automobiles, trucks and vehicles of all kinds, \$3,184,563 (\$104,940); sea and aircraft of all kinds, \$43,002 (\$45,635).

Metal and manufactures of metal were sixth in value, showing a slight increase over the previous year's figure. Following are the sub-groups: gold, silver, platinum and their alloys, \$165,146 (\$204,905); cast iron, \$204,648 (\$173,594); forged iron and steel, \$8,046,975 (\$7,430,276); copper and its alloys, \$1,037,774 (\$1,062,001); other common metals and their alloys, \$515,391 (\$518,821); scrap and waste metals, \$685 (\$1,527).

Vegetable fibres, rayon and manufactures thereof, seventh in importance, include all fibres, such as jute, hemp, manila, pita, sisal and flax or linen. Imports of raw fibres and yarns were valued at \$3,321,783 (\$817,751); jute and jute bags, none in 1939 as against \$2,175,311 in 1938; textiles or piece-goods and made-up goods, \$4,475,254 (\$4,447,583).

Paper and paper manufactures ranked eighth among imports and were made up as follows: wood-pulp and paper waste, \$808,640 (\$628,666); paper in reels, rolls, etc., such as newsprint, printing, wrapping, sanitary, etc., \$1,944,797 (\$2,178,632); all types of paper cut to size and in made-up articles, \$831,953 (\$818,039); printed, stamped, lithographed and engraved papers, \$391,010 (\$437,649); wallpaper, \$733 (\$1,027); cardboard, box-board, mill-board, etc., and their manufactures, \$798,244 (\$671,277).

Wood and wood manufactures included: rough and semi-manufactured lumber and timber, \$1,935,499 (\$2,195,676); furniture and other manufactures of wood, \$153,890 (\$163,039); other vegetable matter, \$328,107 (\$295,223). This last classification comprises charcoal and other vegetable fuels, cork and manufactures thereof, rushes, cane, cane fibre, wicker, straws, etc.

Animals and animal products were tenth in importance among imports, live animals accounting for \$42,957 (\$70,604); hides, skins, and leathers, \$1,499,047 (\$1,486,351); manufactures of hides, skins and leathers, \$633,746 (\$521,100); other animal products, \$34,819 (\$34,956).

Of imports in the wool, hair and bristles group, the value for the sub-item bristles, hair, horsehair and their manufactures was \$123,450 (\$125,924); raw wool and woollen yarns, \$45,770 (\$31,133); textiles and fabrics of wool, and woollen made-up goods, \$1,125,817 (\$1,402,465).

The twelfth item consists of goods of all kinds, which enter free of duty under special diplomatic and other official privileges. The noteworthy increase from \$399,143 in 1938 to \$1,010,315 in 1939 was due to the reconstruction and expansion of the United States naval base at Guantánamo, at the extreme easterly end of the island. All the building material, machinery and equipment required for this purpose, as well as supplies for the increased staff, enter Cuba duty free. The development of this station is still in progress.

Silk and silk manufactures comprised: silk threads and yarns, \$238,655 (\$206,523); and silk textiles, fabrics and manufactures, \$222,230 (\$275,795).

Tobacco and tobacco products came last in the specifically classified groups and, while they are not separated in the 1939 statistics, the greater portion of these imports was no doubt cigarettes.

Miscellaneous items of all kinds totalled \$4,368,143 in value as against \$3,917,904 in 1938.

IMPORTS BY COUNTRIES

The following table lists Cuba's most important sources of foreign imports in order of their importance in 1939; comparative figures for 1938, showing total value and the percentage share of each country in Cuba's total imports in 1939, are also indicated:—

	1938	1939	%
	\$	\$	
United States	75,152,388	78,380,602	74.04
Germany	4,680,694	3,391,323	3.20
United Kingdom	4,490,069	3,065,102	2.90
France	2,777,771	2,272,985	2.15
Dutch West Indies	969,174	2,238,458	2.11
Thailand (Siam)	2,947,473	2,141,317	2.02
British India	2,034,454	2,062,892	1.95
Spain	1,585,978	1,340,083	1.27
Indo-China	496,748	1,096,209	1.04
Belgium	1,321,847	1,094,483	1.03
Italy	671,666	986,653	0.93
Canada	815,490	979,799	0.93

The extremely favourable position of the United States in this market is due to various factors, the most important of which are preferential tariff treatment, close proximity to the country, excellent shipping facilities, and heavy investment of United States capital in Cuban industries and public utilities. All these factors, added to an aggressive sales policy, have made the position of the United States practically unassailable. The preferential rates of duty granted to the United States are embodied in a trade treaty which was first entered into in 1902 and supplemented in 1934 and 1939. Under the provisions of this agreement the United States now enjoys preferential rates on all dutiable items of the Cuban tariff. These preferences are expressed in terms of a discount on the lowest rate granted to any other foreign country, and these discounts range from 20 per cent to as high as 85 per cent. The agreement, however, is strictly reciprocal, and the above concessions are compensated for by advantages granted by the United States, the most important being a substantial tariff preference in the United States on a large annual quota of Cuban sugar. In view of the paramount importance of sugar in Cuban economy, no other country can hope to share this preferential treatment, as no other country is in a position to offer to Cuba such a large market for sugar under such favourable conditions.

Germany retained second place among suppliers to Cuba, ahead of the United Kingdom, but both these countries reduced their shares of Cuba's total imports. Germany's sales were mostly of drugs and chemicals, steel, glass and ceramics, machinery, dyes, coal and paper. Imports from the United Kingdom were mostly made up of textile goods, with smaller quantities of steel, drugs and chemicals, whisky, dried codfish, and ceramic goods.

Imports into Cuba from France were almost entirely made up of drugs, chemicals and cosmetics. The high rank occupied by British India is accounted for by large shipments of jute bags as containers for Cuban sugar. Indo-China shipped mostly rice. Over 90 per cent of Cuba's imports from Spain were made up of canned food, edible oil, and wine.

In all import groups the United States led the field with the exception of wool and manufactures of wool, of which the United Kingdom had the largest share. This item, however, is relatively unimportant because of the climate. Some of the largest individual items of import from the United States in 1939 were: coal (\$5,565,566); steel and forged iron (\$6,840,803); cotton fabrics and ready-made clothing of cotton (\$7,128,000); chemical and pharmaceutical products (\$4,063,000); rice (\$5,872,000); wheat flour (\$3,814,000); automobiles (\$3,099,000). In the group made up of machinery, vehicles and aircraft, scientific and other apparatus and instruments, the United States had more than 90 per cent of the market.

TRADE WITH CANADA

The total trade of Canada with Cuba in 1939 was valued at \$1,514,302 as compared with \$1,250,457 in 1938, an increase of \$263,845. Both imports of Canadian products and Cuban exports to Canada were higher, but the latter

increased to a greater extent, and Canada's favourable trade balance was reduced from \$480,523 in 1938 to \$245,296 in 1939.

The following table, compiled from official Cuban statistics, shows yearly imports from and exports to Canada from 1932 to 1939:—

	Imports	Exports
1932	\$1,076,001	\$600,178
1933	891,374	531,032
1934	1,196,005	520,919
1935	1,171,570	255,222
1936	979,754	223,089
1937	1,011,147	662,178
1938	815,490	334,967
1939	879,799	634,503

The above figures vary greatly from those issued by the Dominion Bureau of Statistics. As a matter of fact neither set of figures is accurate, as, due to lack of direct steamship connections, goods exchanged between Canada and Cuba must be shipped through the United States and often lose their identity in the statistics. This is true of Canadian goods shipped to Cuba from stocks in the United States, but also applies to Cuban goods shipped to the United States and from there to Canada. Such shipments are credited to the United States if there is no indication of their ultimate destination at the time of shipment or any clue as to their real origin at the time of import clearance.

EXPORTS TO CANADA

Total exports to Canada in 1939, according to official Cuban statistics, were valued at \$634,503 as compared to \$334,967 in 1938, an increase of almost \$300,000 or close to 90 per cent. This increase is accounted for entirely by an increase in exports of raw sugar from \$25,557 in 1938 to \$370,719 in 1939. There was a heavy falling-off in exports of leaf tobacco, but this was compensated for by increases in shipments of pineapples, tomatoes, sponges and a few less important items. Following is a list of the leading items exported from Cuba to Canada, with a comparison of Cuban and Canadian statistics, for 1938 and 1939:—

	Cuban Statistics		Canadian Statistics	
	1938	1939	1938	1939
Raw sugar	\$ 25,557	\$370,719	\$ 48,384	\$445,779
Refined sugar	15,840	10,550	16,932	26,428
Inverted cane syrup.. . . .	18,112	22,794	.....	.....
Inverted molasses .. . . .	.....	9,202	15,730	138,769
Rum	6,167	5,827	7,879	5,758
Leaf tobacco.. . . .	215,700	94,101	114,338	109,361
Cigars	25,985	29,114	27,798	29,377
Fresh pineapples	19,216	58,982	94,288	30,228
Tomatoes.. . . .	1,786	13,782	10,052	41,785
Sponges	2,349	18,564	1,253	7,606
Sawn mahogany	1,964	3,953	.....	.....
Sisal.. . . .	.....	.....	90,029	36,716
Other items.. . . .	2,291	4,915	13,241	16,838
Totals	\$334,967	\$642,503*	\$439,924	\$888,645

* The Cuban statistics also show this total as \$634,503.

IMPORTS FROM CANADA

There was a substantial increase in sales of Canadian products to Cuba in 1939 as compared with the previous year. It is impossible, however, to obtain accurate information from any source as to the value of imports into Cuba from Canada. Cuban import statistics are particularly unreliable with respect to Canadian trade, as goods of Canadian origin shipped from New York or Boston are often credited to the United States if their real origin

is not obvious. For that reason imports from Canada are undoubtedly considerably greater than official Cuban figures indicate. Canadian figures, compiled and published by the Dominion Bureau of Statistics from information submitted by the Department of National Revenue, are more accurate but they also undervalue Canadian sales to Cuba, as they cannot take into account Canadian goods shipped to Cuba from stocks held, in bond or otherwise, in the United States, if no indication was given of their ultimate destination when they were cleared from Canada.

According to Canadian statistics, exports of Canadian products to Cuba increased in value from \$1,185,934 in 1938 to \$1,497,352 in 1939, a net increase of \$311,418 or slightly over 25 per cent. Official Cuban figures show an increase from \$815,490 in 1938 to \$979,799 in 1939, a gain of \$164,309 or about 20 per cent.

Following is a list of the main items imported from Canada in 1938 and 1939, with a comparison between Canadian and Cuban statistics for these years:—

	Canadian Statistics		Cuban Statistics	
	1938	1939	1938	1939
Seed potatoes	\$241,402	\$454,983	\$301,375	\$327,173
Dry salt codfish	210,669	169,983	208,561	167,653
Malt for breweries	96,757	107,935	86,436	111,044
Wheat flour	34,838	25,071	4,525	13,861
Newsprint	338,390	389,816	108,148	77,333
Unrefined tallow	9,236	14,690	4,085	15,523
Other animal oils and fats	*	*	3,699	2,671
Calcium carbide	*	*	24,578	77,795
Chemical fertilizers	13,077	15,687	5,370	19,562
Patent leather	1,698	39,585	1,469	26,134
Entire hides or sheets, tanned by any process, etc.	*	*	173	8,121
Upper leather, n.o.p.	747	4,980	*	*
Leather in splits, chromed or chrome tanned . . . . .	*	*	.....	1,208
Telephone apparatus	19,622	20,409	.....	4,316
Electrical apparatus, n.o.p.	24,009	32,532	17,187	35,903
Accessories for sewing machines	*	*	8,975	11,468
Needles of all kinds	9,857	14,747	*	*
Machinery, portable or fixed, and appa- ratus, n.o.p.	1,463	17,460	8,077	13,596
Planks and boards	3,309	.....	5,720	1,059
Broom handles . . . . .	.....	.....	.....	2,987
Whisky	2,592	3,596	1,448	1,728
Cartridges and empty cartridge shells	5,017	5,926	2,474	5,899

* Figures not available.

Seed Potatoes.—Canada supplies over 90 per cent of the demand for seed potatoes on this market, only occasional shipments coming from any other country. The increase in the value of imports from Canada in 1939 was due entirely to higher prices. Imports decreased in volume from 11,198 to 10,046 metric tons.

Dry Salt Cod.—Total imports of salt cod from all sources decreased by approximately the same percentage as imports from Canada (about 20 per cent). Competition from Newfoundland continued to affect Canadian sales to the Santiago market.

Malt.—Imports of malt from Czecho-Slovakia, Hungary and Germany fell off sharply, and those from Canada and Chile were greater. Total imports were about 25 per cent under the figures for the previous year. Now that European sources are out of the market, Canadian malt is in an excellent competitive position, and sales in 1940 are expected to be considerably higher.

Wheat Flour.—Canadian millers have never succeeded in securing a worthwhile share of the Cuban wheat flour business, which averages one million bags a year. Increased imports in 1939 are accounted for chiefly by larger purchases for the confectionery trade. The bakery trade is supplied exclusively

by United States mills, and about 70 per cent of this business is done by various Buffalo mills which have developed a special type of flour adapted to Cuban baking methods. Much of this flour is milled from Canadian wheat, but so far Canadian flour mills have never been able to supply a type of flour similar to the so-called Buffalo type.

Newsprint.—A large share of the Cuban newsprint business is done by Canadian mills, but all shipments of Canadian newsprint to Cuba are handled by an export association located at New York, and official Cuban statistics always credit the United States with much of the business done by Canada. Canadian figures are more accurate, but also are inclined to understate Canadian participation in this trade.

Oils and Fats.—Imports from Canada under this heading are mostly used in the manufacture of soap. Tallow is by far the most important item.

Leather.—Imports of leather from Canada show a large increase both in patent and other types. Total imports of patent leather in 1939 were valued at \$159,466, the United States being the only other supplier, so that there would seem to be considerable opportunity for expansion in this trade if Canadian shippers are able to offset the tariff preference in favour of the United States. The duty on Canadian patent leather is 50 cents per kilogram (2.2 pounds), while the United States enjoys a rate of 30 cents per kilogram. There is also a gratifying increase in shipments of upper leather from Canada despite the United States preference.

Electrical Apparatus.—Electric meters and telephone instruments account for the bulk of the imports from Canada under this heading. Both items were higher in 1939 than in the previous year.

Wood Products.—The Cuban market for lumber and other wood products is relatively unimportant, as there is an abundance of excellent hardwoods available in the country at very low prices. Spruce lumber for box-shooks is the only item of interest.

CUBAN CUSTOMS TARIFF

The Cuban customs tariff is a three-column tariff, and the treatment accorded to a foreign country depends upon the balance of trade between that country and Cuba. The lowest column of duties embodies preferential rates granted to the United States only by virtue of a special reciprocal trade agreement. The general tariff contains the lowest rates applicable to any foreign country except the United States. In order to benefit from this general or minimum schedule of rates, Canada must purchase from Cuba goods totalling in value not less than 50 per cent of the total value of Cuban imports from Canada. If Cuban exports to Canada fall below 50 per cent but remain above 25 per cent of imports from Canada, a surcharge of 25 per cent of general tariff rates is applied to Canadian goods in addition to the rates provided in that tariff. If the percentage imported falls below 25, Canadian goods become subject to maximum tariff rates, which are double the rates under the general tariff.

In the two years under review tariff treatment of Canadian goods varied as follows: From January to April, 1938, maximum tariff; from April 11, 1938, to April 4, 1939, general (minimum) tariff; from April 4, 1939, to April 9, 1940, general (minimum) tariff, plus a surcharge of 25 per cent.

During two-thirds of the year 1939 Canadian goods were, therefore, handicapped by a surcharge of 25 per cent on the general tariff, applying to most of Canada's competitors except the United States, which benefits from special reductions from general tariff rates ranging from 20 per cent on most items to as high as 85 per cent on some.

Notable exceptions of interest to Canada are items which enter duty free regardless of their origin. These include newsprint and seed potatoes and items such as dry salt cod and malt which, being considered necessities or raw materials for necessary Cuban industries, are not subject to rates higher than general tariff rates, regardless of the balance of trade between their country of origin and Cuba. In recent years these items have accounted for the bulk of the imports from Canada into Cuba.

Beginning April 9, 1940, Canadian goods are ensured the benefits of the general (minimum) tariff at least until March 31, 1941, due to increased purchases of Cuban goods by Canada in 1939. This will place Canada in a better competitive position and, while it may not result in a higher volume of imports on account of the depressed condition of the Cuban sugar business, it will afford Canadian firms a better opportunity on this market than they would otherwise enjoy.

The increase in the sale of Canadian goods to Cuba in 1939 despite unfavourable tariff treatment is very gratifying. Of special interest is the appearance of many new items not previously imported from Canada. The development of this new business may be favoured by the removal of the customs surcharge.

EFFECTS OF THE WAR ON THE DISTRIBUTION OF CUBAN IMPORT TRADE

The present conflict will undoubtedly have a marked effect on trade relations between Cuba and Continental European countries as well as Baltic and Scandinavian countries. The expected changes in the distribution of Cuba's import business did not, however, affect 1939 trade to any great extent and any results will not become clearly apparent until statistics for 1940 can be analysed. In considering this question it is well to bear in mind that a high percentage of Cuban imports originate in the United States and that imports from all European countries (excluding the United Kingdom) normally represent only about 10 per cent of total Cuban imports.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to August 31, 1940:—

	Total Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to August 31, 1940	
			Quantity	Per Cent
Cattle (700 lbs. or more) . . . Head	225,000	3 to 1½c. per lb.	75,004	33.3
Cattle (less than 200 lbs.) . . Head	100,000	2½ to 1½c. per lb.	92,603	92.6
Whole milk Gals.	3,000,000	6½ to 3¼c. per gal.	4,889	....
Cream Gals.	1,500,000	56¼ to 28¼oc. per gal.	548	....
Filleted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish lbs.	15,000,000	2½ to 1½c. per lb.	6,778,626	45.2
Seed potatoes Bush.	1,500,000	75 to 37½c. per 100 lbs.	1,232,972	82.2
	beginning Sept. 15, 1939	(60c. Dec. 1 to 23)		
White or Irish potatoes, other than seed Bush.	1,000,000	75 to 60c. per 100 lbs.	595,598	59.5
	beginning Sept. 15, 1939	Dec. 1 to end of February; 37½c. Mar. 1 to Nov. 30		
Silver or black fox furs . . . Units	100,000	50% to 35% ad val.	58,300	Quota filled Mar. 5, 1940
	beginning Dec. 1, 1939			
Red cedar shingles Squares	2,371,544	Free	1,941,873	82.0

During the third quarter of 1940 Canada has shipped 17,913 head of cattle weighing 700 pounds or more, other than dairy cows, to the United States, or 34.6 per cent of the quarterly allotment of 51,720 head. The quota allotment of 8,280 head from countries other than Canada for the third quarter of the year has been filled, and receipts over and above this amount have been subject to the full tariff rate.

The Collectors of Customs have been instructed to collect estimated duties at the full tariff rate of $2\frac{1}{2}$ cents per pound on imports of cattle weighing less than 200 pounds each entered for consumption or withdrawn from warehouse for consumption during the period September 12 to December 31, 1940, pending fulfilment of the current tariff rate quota. As soon as the quota status of such imports can be determined, the Collectors of Customs will be advised as to the rates of duty applicable to particular importations, and refunds will be made of excessive duties deposited on importations which come within the quota.

The import figures for seed potatoes are slightly lower than those for August 3, due to revision of the preliminary figures.

By virtue of a proclamation issued by the President on August 26, 1940, a duty of 25 cents per square will be imposed on any red cedar shingles in excess of 2,371,544 squares entered for consumption or withdrawn from warehouse for consumption during the calendar year 1940.

TARIFF CHANGES AND TRADE REGULATIONS

Australia

DUTIES ON ADVERTISING MATTER IMPORTED BY MAIL

Since publication in *Commercial Intelligence Journal* No. 1852, July 29, 1939, page 255, of a circular regarding Australian duties on advertising matter imported by mail, all imports into Australia have been made subject to a special war duty of 10 per cent and sales tax has been increased from 5 per cent to $8\frac{1}{2}$ per cent.

The circular is reprinted below with amendments incorporating the revised duties as furnished by Mr. S. Laney, Australian Customs Representative in New York:—

1. Duty is levied on posters, catalogues, price lists, calendars, diaries, circulars, and other advertising matter imported into the Commonwealth of Australia, whether by first-class mail or otherwise, provided that—

- (a) when the total of customs duty, primage duty, special war duty tax, and sales tax on the total quantity mailed by any overseas consignor by any one mail to any one state of the Commonwealth does not exceed one shilling (Australian currency), payment may be waived;
- (b) trade catalogues and price lists not designed to advertise the sale of goods by any person, firm, or company in Australia, when sent into Australia in single copies addressed to merchants, firms, companies, or persons therein, and not exceeding one copy to each merchant, firm, person, or company or branch office thereof and not being for distribution, are admitted free.

2. If the overseas consignor desires to prepay the duties and sales tax, he may do so by any one of the following methods:—

- (i) at the above office, where adhesive duty stamps can be purchased for attachment to the mailed matter to indicate that duty has been paid. Cheques or post office money orders forwarded for the purchase of duty stamps should be made payable to the "Australian Customs Representative."

- (ii) by remitting to the Deputy Postmaster-General of each state (for transmission to the Customs) a sum covering the total amount of advertising matter addressed to each state;
 - (iii) at the customs house in the receiving state, by the consignor's agent.
3. If payment be not made by any of the above-mentioned methods, the duty will be collected from the addressee.
4. The present rate of duty, etc., on catalogues and price lists which are not exempt from duty under paragraphs 1 (a) and (b) hereof, and on circulars, calendars, diaries, and advertising matter, of Canadian origin, is 9d. per pound or 30 per cent ad valorem, whichever returns the higher duty, plus 5 per cent ad valorem primage, plus special war duty tax 10 per cent, plus 8½ per cent sales tax.
5. The value for duty is the value of the goods in the country of origin converted into sterling at the current rate of exchange, plus 10 per cent of the value.
6. The value for sales tax is the sum of the value for duty, the duty, war duty tax, and the primage, increased by 20 per cent.
7. For convenience in computation, when the duty is prepaid, the following rates to cover duty, primage, war duty tax, and sales tax, may be used:—
- When the advertising matter is valued at more than 40 cents per pound duty may be estimated in dollars at 60½ per cent of the total value.
- When the advertising matter is valued at less than 40 cents per pound, at the following rates: up to and including ¼ ounce, ¼d.; and for each additional ¼ ounce, ¼d.
8. The postal authorities have asked that duty stamps be affixed to the reverse side of the packet containing the advertising matter and then cancelled.

IMPORT LICENSING OF SAMPLES

When the Australian Import Licensing Regulations were adopted, on December 1, 1939, an Order was issued exempting from licensing requirements a list of articles including "bona fide samples." A further Order, dated August 8, 1940, restricts this item to read as follows: "Goods which in the opinion of the Comptroller General of Customs are bona fide samples not being goods of the kind graded in category 'D' or of the kind for which import licences are normally not granted." Category "D" is the list of articles for which, it has been announced, no import licences are being issued.

NO LICENCES FOR MATCH SPLINTS

The Canadian Trade Commissioner in Sydney, Australia, cabled on September 27 that no import licences for match splints would be issued after September 30. Formerly match splints were in the category of goods admitted up to the level of imports during the base year ended June 30, 1939.

THREE-MONTHS IMPORT LICENSING PERIOD, OCTOBER-DECEMBER

Referring to the article in *Commercial Intelligence Journal* No. 1901, July 6, 1940, page 32, concerning Australian import licensing regulations for the three months ending September 30, a cablegram from Mr. L. M. Cosgrave, Canadian Trade Commissioner in Sydney, states that new customs restrictions have been announced, which are also for a three-months period, and that they effect extensive changes. Details will be published in a later issue of the *Commercial Intelligence Journal*.

New Zealand

CONTROL OF IMPORTS FOR TWELVE MONTHS BEGINNING JANUARY 1, 1941

With reference to the article in *Commercial Intelligence Journal* No. 1894, May 18, 1940, pages 778-780, the Canadian Trade Commissioner in Auckland cabled on September 24, 1940, that details of New Zealand import restrictions

to be effective for the twelve months beginning January 1, 1941, had been published. He reports that the percentage of reduction of imports will apply to the value of imports during the year 1938. (Formerly import restrictions were for six months and the percentage of reduction was based on the corresponding six months of 1938). The cablegram mentions the following changes as affecting Canada:—

	Reduction 2nd Half of 1940	Reduction for 12 Months Beginning Jan. 1, 1941.
Macaroni, vermicelli, spaghetti, egg-noodles and similar alimentary pastes not elsewhere included in the tariff	Applications to be considered individually	100%
Textile piece-goods, namely, moquettes, tapestry and tickings composed of cotton, linen, jute, hemp, other vegetable fibre, or combinations of these materials with one another or with any other material (except wool or hair) whether plain, hemmed, whipped or similarly worked, provided that such piece-goods do not contain more than 50 per cent by weight of silk, of imitation silk, or artificial silk or of combinations of the same	50%	100%
Textile piece-goods (other than moquettes, tapestry and tickings) of cotton, linen, hemp, jute, other vegetable fibre, silk, artificial silk, imitation silk, or of combinations of these materials with one another or with any other material (except wool or hair) whether plain, hemmed, whipped or similarly worked	Applications to be considered individually	100%
Pneumatic rubber tires	50%	100%
Bolts and nuts, black, and rivets, under $\frac{3}{8}$ -inch diameter; insulator bolts; engineers' studs, taper pins and split pins; washers other than washers wholly of rubber	No reduction	100%
Bolts and bolt-ends up to 24 inches in length and nuts blank or screwed (other than black bolts and nuts and insulator bolts); metal threaded screws; set screws	50%	100%
Spare parts for motor vehicles	33 $\frac{1}{3}$ %	25%
Buttons other than crochet and similar buttons	50%	Applications to be considered individually
Fur skins, green or sun-dried	75%	Applications to be considered individually
Hat-hoods, felt, of wool or fur, or containing fur, unblocked and unsewn	No reduction	Applications to be considered individually
Hatmakers' materials, namely, hatters' ribbons, galloons, or linings, when cut up, or otherwise, under such conditions as the Minister may prescribe; leathers, ventilators, cork fronts for hats	No reduction	Applications to be considered individually
Paper not elsewhere included in the tariff, including tin-foil paper, and gummed paper not elsewhere included in the tariff, in sheets of size not less than 20 inches by 15 inches or the equivalent	50%	Applications to be considered individually
Motor lorry chassis completely knocked down	100%	Applications to be considered individually
Gum boots, half knee, knee, or thigh	25%	No reduction
Engines for motor vehicles, including parts	33 $\frac{1}{3}$ %	25%
Woven labels and hangers	No reduction	100%
Kalsomine	No reduction	100%
Clothes pegs	50%	100%
Knitting yarn	No reduction	100%

TRADE AGREEMENT WITH CANADA EXTENDED

The trade agreement of 1932 between Canada and New Zealand, which was due to expire on September 30, 1940, has been extended without further

change until September 30, 1941, by a Canadian Order in Council No. 5190 and a corresponding New Zealand Notification. This trade agreement was originally concluded in 1932 for one year, but has been renewed from year to year, the last renewal being for the period up to September 30, 1940. The trade agreement provides for fixed rates of duty on certain enumerated goods imported into New Zealand, and on all other products the benefits of the British preferential tariff. The British preferential tariff of Canada and certain other concessions are granted on New Zealand products imported into Canada.

During the twelve months ended June 30, 1940, Canada exported goods to New Zealand to the value of \$8,464,987, the principal commodities being automobiles, newsprint, rubber manufactures, electrical apparatus and tinned fish. Imports into Canada from New Zealand during the same period were valued at \$4,812,658, chiefly wool, hides and skins, sausage casings, apples, mutton and lamb, and rough greases.

India

NEW TRADE MARKS LEGISLATION

With reference to the summary of the Indian Trade Marks Act, 1940, published in *Commercial Intelligence Journal* No. 1912, September 21, 1940, page 426, Mr. K. F. Noble, Acting Trade Commissioner at Bombay, advises that rules of procedure in connection with the deposit of trade marks under the Indian Trade Marks ordinances have now been announced.

Persons claiming the proprietorship of trade marks already used in British India and intending to apply for registration under the Trade Marks Act, 1940, should advise the Patent Office, Calcutta, by registered post, of such intention not earlier than October 1, 1940, and not later than March 31, 1941.

Applications shall be made on prescribed forms in duplicate, a separate application to be made in respect of each trade mark. Should the depositor claim title to the exclusive use of a part or parts of the trade mark, such part or parts shall be the subject of a separate deposit.

The full text of the notification establishing the means of deposit for existing trade marks is available to interested Canadian firms on application to the Department of Trade and Commerce, Ottawa.

Cyprus

IMPORT CONTROL OF FOODSTUFFS

With reference to the article in *Commercial Intelligence Journal* No. 1891, April 27, 1940, page 649, Mr. Henri Turcot, Canadian Trade Commissioner, Cairo, reports that as of June 11, 1940, the item "Foodstuffs not otherwise specified" has been added to the list of goods subject to import licence from Canada, Newfoundland and countries outside the British Empire.

Chile

QUOTA ON EDIBLE OILS

Mr. M. J. Vechsler, Canadian Trade Commissioner in Lima, advises that the system of quota restrictions on the import of edible oils into Chile established by a decree of February 17, 1939, has been confirmed by a decree published July 31, 1940. The annual quota of edible oils, other than olive oil, is fixed at 300,000 kilograms for import into the Magallanes and Aysen zones and

100,000 kilograms for import into the rest of the country. For olive oil the quota is 1,000,000 kilograms for the whole country. Provision is made for increasing the quotas by 50 per cent if warranted by the needs of the country.

Netherlands Guiana (Surinam)

IMPORT AND EXCHANGE CONTROL

With reference to the article in *Commercial Intelligence Journal* No. 1908, August 24, 1940, page 308, Mr. G. A. Newman, Acting Trade Commissioner at Port-of-Spain, Trinidad, reports under date September 12 advice received from the Surinam Bank concerning import control in Netherlands Guiana as follows: "Local merchants will have to obtain a permit for their future requirements. Such import licences are to be sent to shippers abroad, together with the orders relating to the merchandise to be shipped and, in order to prevent a delay in remitting the proceeds, it is advisable that these import licences are attached to the drafts drawn against the relative shipments. Exchange will be available for all imports for which such a licence has been granted. The Surinam Government issues a quarterly list mentioning the articles of which the import has been forbidden and/or restricted to a certain percentage. Full import on the basis of the import of the year 1939 is allowed for essential foodstuffs and commodities, whilst the import of luxuries and fancy-goods is more or less restricted."

EXCHANGE CONDITIONS IN EMPIRE COUNTRIES

Hongkong

P. V. McLANE, CANADIAN TRADE COMMISSIONER

Hongkong, August 5, 1940.—There has been no change in Hongkong in respect to the purchase of foreign exchange, unlimited coverage being available for bona fide business requirements. However, owing to the fact that Hongkong is considered as being outside the "sterling bloc," the recent appreciation in the New York-London cross rate has not been reflected in the rate of United States currency against the Hongkong dollar. This is because local banks have to obtain the bulk of their United States dollar requirements from sellers in the Colony or in Shanghai.

British Malaya

J. L. MUTTER, CANADIAN TRADE COMMISSIONER

Singapore, August 21, 1940.—The following notice, dated August 15, has been addressed to banks and merchants throughout the territory by the Controller of Foreign Exchange, Malaya:—

Banks and merchants are hereby notified that the currency of the country of origin must be received in payment of goods re-exported from Malaya, which originated in the United States, Canada or Switzerland, and banks are required to satisfy themselves that that condition is observed when financing trade to non-sterling area countries.

This means of course that re-exports of Canadian merchandise, imported into Malaya, and for which Canadian dollars have been paid, when shipped to contiguous non-sterling countries, with the exception of the Netherlands East Indies, must likewise be paid for in Canadian dollars. The ruling is likely to hamper to some extent the re-export from Malaya of Canadian goods, since Canadian exchange is not always freely available in the countries mentioned.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING SEPT. 30, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for the principal exchanges for the week ending Monday, September 30, 1940, and for the week ending Monday, September 23, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Sept. 23	Nominal Quotations in Montreal Week ending Sept. 30	Official Bank Rate
Finland	Markka	.0252	\$.0218	\$.0220	4
Great Britain	Pound	4.8600			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0073	.0073	6
Hungary	Pengo	.1749			
	Official		.3227	.3227	4
	Unofficial		.2150	.2150	—
Yugoslavia	Dinar	.0176	.0249	.0249	5
Portugal	Escudo	.0442	.0443	.0443	4-4½
Roumania	Leu	.0060	.....	.....	3½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2643	.2641	3
Switzerland	Franc	.1930	.2532	.2545	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2206	.2242	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.....	.....	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.....	.....	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2581	.2572	—
Brazil	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0556	.0557	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6326	.6326	4
Peru	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4080	.4075	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0577	.0608	—
Hongkong	Dollar	.....	.2524	.2643	—
India	Rupee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2601	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.....	.....	—
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5760	3.5760	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds held unchanged at \$4.43-\$4.47 and \$1.10-\$1.11, respectively, during the week ended September 30. At New York sterling free market rates fluctuated erratically between \$4.05½ on the 25th and \$4.03½ on the 26th, while the close at \$4.05 indicated a net gain of 1 cent. In the same interval the Canadian dollar rate at New York stiffened from 84½ cents on September 23 to 87 cents on the 27th, but by the close had dropped back to 85½ cents. Montreal rates for the Swiss franc stiffened from 25·32 cents to 25·45 cents between September 23 and 30, while the Swedish krona closed 2 points lower at 26·41 cents. There were wide fluctuations in the Argentine peso (free rate) coincident with various interpretations placed upon the action of the office of the Exchange Control in delaying for 15 days the granting of permits for United States dollar exchange. Free pesos closed 9 points lower at 25·72 cents after falling to a low of 25·36 cents earlier in the week.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Bacon.....	611	Los Angeles, California....	Agency.
Codfish.....	612	Mexico City, Mexico.....	Agency.
Miscellaneous—			
Buttons.....	613	Melbourne, Australia.....	Agency.
Envelopes, Air Mail.....	614	Port of Spain, Trinidad...	Purchase and Agency.
Bleached Cellulose.....	615	Mexico City, Mexico.....	Purchase and Agency.
Upper Leather.....	616	Mexico City, Mexico.....	Agency.
Roller Skates.....	617	Mexico City, Mexico.....	Agency.

COMMERCIAL INTELLIGENCE SERVICE

H. W. CHENEY, *Acting Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

304 CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: G. R. HEASMAN, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

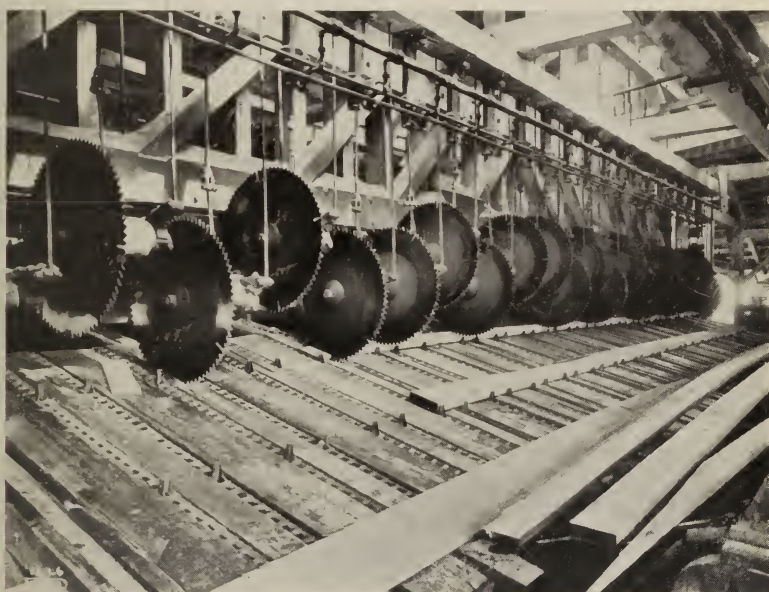
Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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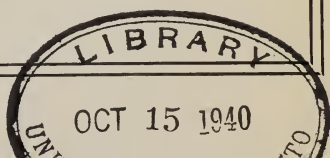
Ottawa, October 12, 1940

No. 1915



Automatic Trim Saws in a British Columbia Plant

ISSUED BY AUTHORITY OF
THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE
L. D. WILGRESS, DEPUTY MINISTER



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No. 1915

PLYWOOD FOR AIRCRAFT: UNITED KINGDOM SPECIFICATION

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

Bristol, September 20, 1940.—The Ministry of Aircraft Production has from time to time issued specifications, either to meet a limited requirement not covered by any existing British standard specification or to serve as a basis for inspection of materials the properties and uses of which are not sufficiently developed to warrant submission to the British Standards Institution for standardization. One of these specifications, recently prepared, deals with plywood for lightly stressed parts of aircraft.*

KINDS AND QUALITY OF TIMBER

There are a number of species of timber permitted to be used in the construction of the plywood. Those of interest to Canada include basswood, yellow birch, poplar, Sitka spruce, alder, ash, beech, and rock maple.

The veneers from which the plywood is made must be of uniform thickness and of reasonably clear, smooth manufacture. They should be free from large, loose, or dead knots, but may contain a small proportion of live knots not greater in diameter than 10 mm. The veneers may be rotary cut or sliced.

CONSTRUCTION

Unless otherwise specified, the grain of the outer veneers of 3-ply boards must run parallel to the length of the board, and that of the core at right angles thereto. In multi-ply boards the grain of adjacent veneers must cross at right angles.

Edge joints in veneers, i.e. joints running parallel to the grain direction, must not exceed in number the width of the board in inches divided by 6, and they must be completed in the individual veneers before assembly into boards. All joints are required to be square cut and edge-glued together, or, alternatively, they may be taped with paper on the face of the outer veneers (the paper to be later removed) or may be taped inside. Metal clips, etc., must not be used, nor will open joints be permitted.

End grain joints in veneers, i.e. joints running across the width of the veneers at right angles to the grain direction, are not permitted in boards up to end including 60 inches in length. Longer boards may have one end grain joint which must not be less than 12 inches from either end. Joints must be completed in the individual veneers before assembly into boards. Where joints are present in more than one veneer they must be staggered through the board not less than 12 inches apart. Joints directly above one another must be separated

* Specification D.T.D. 427; published by H.M. Stationery Office, York House, Kingsway, London, W.C. 2; price, 1s. net

by at least 5 intervening veneers. The joins must be scarfed, and the plane of the scarf must diverge from the grain direction by an inclination of not more than 1 in 15.

End grain joins through the thickness of the boards are not permitted unless specified in the contract.

The two outer veneers in the finished board must be of the same nominal thickness. The core of the 3-ply must be at least equal to that of one of the outer veneers, but must not exceed the combined thickness of the two outer veneers. The thickness of any veneer in multi-ply must not exceed twice the thickness of any other veneer in the same board. No veneer should exceed 0.104 inch in thickness.

In boards less than $\frac{1}{16}$ -inch thick the adhesive must be a paper film glue of approved manufacture. Over this thickness a similar glue or other approved resin glue is permitted. The adhesive must be applied uniformly, and the veneers must be securely cemented together without overlap.

GENERAL PROVISIONS

General provisions applying to all plywood include the following:—

- (a) During manufacture the boards must not make contact with metal when in the press.
- (b) The plywood must remain flat and free from buckling, blisters, wrinkles, gaps, shakes and other defects.
- (c) The moisture content of the conditioned plywood must not be greater than 14 per cent or less than 7 per cent.
- (d) The edges of the boards must be trimmed square, and the surfaces must be free from defects.
- (e) The specification number and the week and year of manufacture must be marked on one side of each board in $\frac{1}{2}$ -inch lettering with a 4-inch spacing across a diagonal of the board. The names of the timber used for each of the veneers must be indicated clearly on one side of each board, and all boards made from each role of film glue must be identified in an approved manner.
- (f) After drying or conditioning, the finished boards must be piled on a flat surface in a dry room the temperature of which shall be preferably 50° to 60° F. (10° C. to 16° C.), and sufficient weight to keep the boards flat must be placed on top of the stack. Piling sticks should not be placed between the boards during storage.

TESTING

The following tolerance will be permitted on the nominal thicknesses of each board:—

Nominal Thickness of Board	Tolerance on Thickness
$\frac{1}{8}$ inch (3.18 mm.) and under	Plus or minus 10 per cent
Over $\frac{1}{8}$ inch and up to and including $\frac{1}{2}$ inch (12.7 mm.)	Plus or minus 5 per cent
Over $\frac{1}{2}$ inch	Plus or minus 2½ per cent

One board must be selected by the inspector from each batch of boards of each thickness made in each press per day. The board selected must contain joins if any of the boards in the batch represented thereby contain joins. Pieces cut from the boards so selected must be subjected to the following tests: (a) adhesion of veneers; (b) resistance to water; (c) bending properties; (d) tensile strength; (e) moisture content.

The methods used in determining these factors are explained in detail in appendices attached to the specification.

If any test piece fails to fulfil the test requirements, two further boards will be selected by the inspector from the same batch. Test pieces prepared from these two further samples must comply with the requirements or the batch will be rejected.

Broadly speaking the Canadian plywood purchased by the Timber Control is not suitable for this specification, but the details are summarized herewith for the general information of Canadian producers.

MARKET CONDITIONS FOR ELECTRIC STOVES IN SOUTH AFRICA

J. C. BRITTON, ASSISTANT TRADE COMMISSIONER

Johannesburg, August 7, 1940.—The demand for electric stoves in the Union of South Africa has fallen off considerably in recent months, principally because of disturbed world conditions. Dealers in Johannesburg report that sales have declined by at least 50 per cent as compared with the same period of last year. The decrease has been less drastic in other centres, notably Cape Town, Durban and Port Elizabeth, where conditions are more stable and less subject to fluctuation than is the case on the Witwatersrand. As an important percentage of electric stove purchases are forthcoming from Johannesburg and vicinity, the total imports for the present calendar year may be expected to show a decrease as compared with the past few years.

FACTORS AFFECTING SALES

The falling-off in the market for electric stoves may be traced in part to the extremely quiet conditions which prevail in the building and allied industries. Building plans passed by the Johannesburg municipality exceeded £950,000 per month during 1937, whereas they amounted to only £255,450 in April of this year. An additional important factor influencing sales has been the adoption of more careful methods of investigation covering all hire-purchase business. Legislation passed by Parliament earlier this year provides for a moratorium on certain financial obligations undertaken by men in the defence forces prior to enlistment. Sales to this type of customer on hire-purchase terms are, therefore, at a standstill.

General trading conditions are fairly quiet, with the noteworthy exception of that part of industry and commerce devoted to war supplies and equipment. The demand for semi-manufactured goods and raw materials for the manufacture of defence force equipment, together with the large quantities of war supplies being imported, has kept total imports at a high level. The demand for articles other than essentials and war supplies from overseas, however, has dropped.

SOURCES OF IMPORTS

The number of electric stoves, together with the value of stoves and parts, imported into the Union of South Africa from the chief supplying countries in the past four calendar years is shown in the following table:—

	1939		1938		1937		1936	
	No.	£	No.	£	No.	£	No.	£
Total	14,856	204,032	14,643	195,489	18,971	239,074	16,216	195,671
Canada	10,395	147,271	9,954	134,742	13,606	178,763	11,691	140,409
United Kingdom . .	2,024	24,057	1,650	22,390	2,239	28,052	2,270	24,549
United States . . .	2,201	29,804	2,687	34,100	2,625	24,642	1,948	26,394
Germany	235	2,872	324	3,886	476	7,356	272	3,927

CANADA'S SHARE OF THE TRADE

Canadian electric-stove manufacturers have built up an enviable reputation for their products in South Africa. This has been accomplished over a period of years, during the course of which the closest possible attention has been given to market requirements and peculiarities. South African purchasers are assured that in buying a Canadian electric stove they may expect to obtain one which embodies the latest improvements, will give long service with a minimum of repairs and be attractively priced.

The practical results of the efforts put forward by Canadian electric-stove manufacturers to develop this market are evident from a study of the figures covering imports. In each of the past four years Canada has supplied an average of more than 70 per cent of the total value of electric stoves and parts imported into the Union of South Africa. This same percentage should be maintained in the current calendar year.

BUILDING OPERATIONS

The following table shows the total values of building plans passed in the Union of South Africa during 1939, 1938 and 1937, and the amounts passed by the larger cities for the same three years:—

	1939	1938	1937
Total	£18,397,084	£21,014,128	£23,089,407
Johannesburg	4,890,701	7,781,772	11,003,956
Rest of Witwatersrand	3,942,315	4,339,470	4,382,329
Cape Town	3,589,423	2,930,017	2,606,648
Durban	2,102,028	2,921,246	2,010,126
Pretoria	1,611,925	1,420,127	1,443,354
Port Elizabeth	1,030,261	947,927	1,025,902

The heaviest decline has occurred in Johannesburg, and there is every indication that the figures for 1940 will be considerably lower than those recorded for 1939. Speaking on this subject, the chairman of the Master Builders and Allied Trades Association attributed the serious decrease in building operations to (a) disturbed world conditions, (b) the fact that the phenomenal flow of people to Johannesburg has passed its peak and (c) completion by the mines of the greater portion of their building programs.

While there is general agreement with these views, it is considered that a return to normal conditions will bring about a rapid improvement in the building and allied trades, particularly in Johannesburg and vicinity.

DOMESTIC PRODUCTION

Electric stoves have been produced in South Africa during the past four or five years. The quality of the domestic product has been improving gradually, and the design, while not yet up to overseas standards, is rapidly gaining ground. Domestic ranges are offered at lower prices than those quoted for imported models. For example, as against a price of £40 for an imported electric range, the price quoted for a more or less similar stove of domestic manufacture would be approximately £30. Components such as elements and switches are imported, the basic difference between domestic stoves and those purchased from abroad being that castings rather than steel plate are used in local fabrication.

SALE OF ELECTRICAL APPLIANCES BY MUNICIPALITIES

Stove manufacturers in Canada are familiar with the scheme for the sale of domestic electric appliances on a hire-purchase basis which has been operated so successfully by the Cape Town municipality during the past few years. [See report on this subject in *Commercial Intelligence Journal* No. 1834, March 25, 1939.]

The Johannesburg Electricity Department have recently been devising ways and means of increasing the consumption of electricity within the municipal area. They now have under consideration a proposal to sell electric stoves and other electric household appliances on a hire-purchase system through their retail division.

Briefly, under the scheme the Johannesburg Electricity Department will purchase a limited number of electric stoves and other electric appliances from stockists, add, say, 10 per cent to the cost and sell them on extended hire-purchase terms. Consumers must pay 10 per cent as a "down payment," the balance being spread over a three-year period at a nominal rate of interest. The chief complaint of those opposing the scheme is that it would be difficult to operate a hire-purchase business profitably on such a small mark-up. In addition only a small number of electric stoves now being marketed in Johannesburg will be stocked by the Municipal Electricity Department. Therefore, many more dealers will suffer than gain if the proposal is adopted. Negotiations with the municipality, dealers and the Chamber of Commerce are still proceeding.

TRADE COMMISSIONERS ON TOUR

Mr. Paul Sykes, Canadian Trade Commissioner at Bombay, India (whose territory includes Burma and Ceylon), will resume his tour of Canada on October 22, and Mr. V. E. Duclos, Canadian Trade Commissioner at Shanghai, China (whose territory includes Central China and North China), will continue his tour as previously arranged.

Their itineraries are as follows:—

Mr. Sykes

Chatham	Oct. 22	Black's Harbour and	
Moncton	Oct. 23	district	Oct. 29
Hantsport, Middleton and		Edmundston	Oct. 30
Bridgetown	Oct. 24	Quebec and district. . . .	Oct. 31
Halifax	Oct. 25 and 26	Sherbrooke and district . .	Nov. 1
Saint John	Oct. 28	Granby and district	Nov. 2

Mr. Duclos

Brantford and Paris . . .	Oct. 15	Ingersoll	Oct. 19
Galt and Guelph	Oct. 16	London	Oct. 21
Kitchener	Oct. 17	Walkerville and Windsor.	Oct. 22
Stratford	Oct. 18	Ottawa and district. . . .	Oct. 24 to 26

Canadian firms who wish to be brought in touch with the Trade Commissioners should communicate with the respective Board of Trade or Chamber of Commerce.

RETIREMENT OF JAMES G. PARMELEE

James Grannis Parmelee, deputy minister of the Department of Trade and Commerce since November, 1931, retired on superannuation on October 1, six months after reaching the superannuation age. He had completed thirty-eight years in the Dominion Government service, all of these years in the Department of Trade and Commerce.

James G. Parmelee was born at Waterloo, P.Q., the son of the late William Grannis Parmelee, I.S.O., who left the banking field to become Commissioner of Customs, subsequently organized the Department of Trade and Commerce which came into being in December, 1892, and was its first deputy minister, a post he held until 1908.



From 1902, when he entered the Dominion Government service, until 1911, James G. Parmelee was inspector of Dominion Government bounties on iron and steel and other products, his work involving the supervision of the production of crude petroleum, lead and other commodities. From 1911 to 1921 he served in the administration branch of the Department, this period being interrupted by service with the Canadian Expeditionary Force in the first Great War. He went overseas with the rank of captain early in the war and in 1916 was promoted to major. He was twice mentioned in despatches and awarded the French Croix de Guerre with Bronze Star and the Order of the British Empire.

In 1921 Major Parmelee became chief clerk of the Department and two years later was appointed assistant deputy minister. In this position he gained an intimate knowledge of the administration of the Department and became well-equipped for the duties he assumed when, in 1931, he was appointed to the post from which his father had retired twenty-three years earlier. Major Parmelee was awarded the King's Silver Jubilee Medal 1935 and the Coronation Medal 1937.

L. D. WILGRESS APPOINTED DEPUTY MINISTER

Leolyn Dana Wilgress, appointed deputy minister of the Department of Trade and Commerce in succession to Major James G. Parmelee, has been director of the Commercial Intelligence Service since 1932. Before his appointment as director, Mr. Wilgress had served as a trade commissioner in Siberia and several countries of Europe and conducted special trade investigations in many European countries and in China.

Graduated from McGill University in 1914, Mr. Wilgress a few months later entered the Commercial Intelligence Service as a junior. In 1916 he was posted to Omsk, Siberia, as a trade commissioner, being transferred two years later to Vladivostok. He was a member of the Canadian Economic Mission to Siberia in 1918-19, and in the following two years investigated trade open-



ings in Southeast Europe and Soviet Russia. He was then seconded to special work at London and in 1922 was named Canadian Trade Commissioner at Hamburg. During a ten-year period at this post he studied trade openings in the Scandinavian countries and in central and southeastern European countries. He returned to Ottawa in 1932 and was appointed acting director of the Commercial Intelligence Service, the appointment being confirmed the following year.

Mr. Wilgress was an adviser to the Canadian delegation at the Imperial Economic Conference held at Ottawa in 1932. Since then he has taken part in all major Canadian trade agreement negotiations, notably those of 1935 and 1938 with the United States, and on several occasions has accompanied Canadian delegations to London.

UNITED STATES APPLE CROP AND MARKET

J. P. MANION, ASSISTANT TRADE COMMISSIONER

New York, September 26, 1940.—Although Canada exports very limited quantities of apples to the United States, the state of the crop in this country is of vital importance in predicting the market in other export markets in which Canadian and United States fruit come into direct competition.

The United States crop is evidently suffering to some extent from the dryness of the August weather, since the estimate of commercial production at September 1 is lower by almost 2 per cent than the estimate at August 1.

Present prospects are for a crop of 114,830,000 bushels as against 143,085,000 bushels last year and the 1934-38 five-year average of 121,755,000 bushels. Although the indicated crop this year is down only 6 per cent from the five-year average, it is down more than 20 per cent from the large crop of last year. This decline should tend to steady prices on the export markets, since the exportable surplus will be very much less than that of last year. In 1938, which may be taken as an average year, the United States exported 8,000,000 cases, 945,000 barrels, 887,000 baskets and 30,000,000 pounds of dried apples and apple waste.

EXPORTABLE SURPLUS

The exportable surplus, however, depends not so much on total commercial crop throughout the United States as upon the production of Washington on the west coast and Virginia on the east. In both these states this year's crop is expected to be much closer to normal than that for the whole country.

Expectations are for a crop of 28,046,000 bushels in Washington as against 26,000,000 bushels last year and the five-year average of 29,411,000 bushels. The crop here is actually 8 per cent higher than that of 1939, although $3\frac{1}{2}$ per cent lower than the average. In Virginia the crop is estimated at 10,150,000 bushels as against 10,800,000 bushels last year and the five-year average of 10,279,000 bushels. The estimate for this year is 6 per cent lower than last year's production, but only 1 per cent lower than the average.

The estimated crop in New York state is only 56 per cent of the huge crop of last year and about 13 per cent lower than the five-year average. It can be expected, therefore, that New York will take a larger share than usual of Virginia apples and will have some effect on the Washington supply as well.

Altogether, it may be concluded that pressure on export markets would normally be slightly less this year than last. On the other hand, since more European markets are closed to import trade than last year, competition on the remaining markets is likely to be keener than hitherto.

DOMESTIC MARKET PRICES

Domestic market prices, as reflected by the market in New York, are as follows for apples delivered in New York:—

Eastern McIntosh in boxes, U.S. grade No. 1, \$1.25 to \$1.50 for $2\frac{1}{2}$'s, \$1 to \$1.25 for $2\frac{1}{4}$'s; South Carolina and New Jersey Delicious $2\frac{3}{4}$'s, \$1.40; New Jersey Gravenstein $2\frac{1}{2}$'s, 60-75 cents. Greening 3's are selling for about \$1.25, while all other varieties are selling in the 75 to 90 cent range for the best grades.

TRADE OF JAPAN, JANUARY TO JUNE

C. M. CROFT, COMMERCIAL SECRETARY

(The average values of the yen for the first six months of 1940 and 1939 were \$0.26 and \$0.275 Canadian, respectively.)

Tokyo, August 30, 1940.—The total trade of the Japanese Empire (including Korea and Formosa) during the first six months of 1940 was valued at 3,876,556,104 yen. Of this amount exports accounted for 2,020,108,463 yen and imports for 1,856,447,641 yen, leaving an excess for exports of 163,660,822 yen. Corresponding statistics for the first six months of 1939 were: total trade, 3,208,212,744 yen; exports, 1,617,423,578 yen; imports, 1,590,789,166 yen; excess of exports, 26,634,412 yen. Thus the trade has expanded in every direction.

SUMMARY OF FOREIGN TRADE

Following is a summary of the foreign trade of Japan proper for the first half of 1940 as compared with the first six months of 1939:—

	Jan.-June, 1940 Yen	Jan.-June, 1939 Yen	Increase Per Cent
Exports	1,862,164,166	1,454,403,207	28.3
Imports.. . . .	1,712,053,171	1,478,321,567	15.8
Total trade.. . . .	3,574,217,337	2,932,724,774	21.8
Excess of exports.. . . .	150,110,995	.....
Excess of imports .. . . .	.....	23,918,360	

As little information is available with respect to the trade of the whole of the Japanese Empire, it is necessary to limit any comments to the trade of Japan proper. For the six months ended June 30, 1940, this was valued at 3,574,217,337 yen, including exports worth 1,862,164,166 yen and imports to the value of 1,712,053,171 yen; the excess of exports over imports for the period under review was 150,110,995 yen. The trading position has improved considerably as compared with the first six months of 1939 when the total trade was valued at 2,932,724,774 yen, of which exports were valued at 1,454,403,207 yen and imports at 1,478,321,567 yen, leaving an excess of imports of 23,918,360 yen.

It must be pointed out, however, that the value of the trade just quoted includes exports and imports from the countries within the "yen-bloc," namely, Manchuria, Kwantung Leased Territory, and China, which trade does not directly produce the foreign exchange which Japan requires to finance her purchases abroad. Exports to the countries mentioned during the six months under review were valued at 1,014,276,114 yen as compared with 725,200,882 yen for the first six months of 1939. Imports into Japan from the "yen-bloc" countries for the first half of 1940 amounted to 402,574,000 yen as against 355,645,994 yen for the corresponding period of 1939. Thus the trade of Japan proper with the "yen-bloc" countries showed an excess for exports of 611,702,114 yen for the six months of 1940 as compared with 369,554,888 yen for the first half of 1939.

When consideration is given to the trade with countries outside the "yen-bloc," it is found that, while exports had increased to the level of 847,888,052 yen for the six months from 729,202,325 yen for the 1939 period, imports had also risen sharply, the value being 1,309,479,171 yen for the first half of 1940 as against 1,122,675,573 yen for the six months of 1939. Therefore, the trade with countries apart from Manchuria, Kwantung Leased Province and China resulted in an excess of imports over exports of 461,591,119 yen as against 393,473,248 yen for the first six months of 1939.

EXPORTS

Since those for March, 1940, no figures are made available for exports to individual countries but only to continental areas. The exports to such areas during the first half of 1940 are as follows, comparative values for the first six months of 1939 being shown within parentheses: Asia, 1,321,209,733 yen (981,417,411 yen); Europe, 107,100,772 yen (107,236,917 yen); North America, 224,657,560 yen (217,170,995 yen); Central America, 20,042,505 yen (17,513,762 yen); South America, 55,245,077 yen (23,292,118 yen); Africa, 90,355,607 yen (66,197,216 yen); and Oceania, 52,552,912 yen (41,574,788 yen).

EXPORTS BY CLASSES

Tissues continue to be the most prominent export, cotton tissues or textiles being the largest individual item for the six months under review, with a volume of 914,625,792 square yards (196,432,028 yen) as compared with 1,116,184,682 square yards (182,893,328 yen) for the first half of 1939, a decrease in quantity of 18 per cent but an increase in value of 7.4 per cent. Artificial silk tissues were exported to the extent of 123,373,705 square yards (66,320,176 yen) as against 149,144,907 square yards (62,149,117 yen) in the corresponding six months of 1939, a decrease of 17.3 per cent in volume but an increase of 6.7 per cent in value. Similarly the trade in pure silk textiles showed a decrease in quantity (40.1 per cent), while the value increased (11.8 per cent), shipments having amounted to 16,889,903 square yards (21,719,261 yen) as compared with 28,223,661 square yards (19,428,920 yen) in the first six months of last year. Woollen textile exports amounted to 9,133,984 square yards (21,737,471 yen) as against 13,086,563 square yards (27,898,350 yen), a decrease of 30.2 per cent in volume and of 22.1 per cent in value.

Raw silk was the second largest individual item of export with a quantity of 14,700,180 pounds (193,461,488 yen) in the first six months of 1940, corresponding figures for the comparative period of 1939 being 21,326,976 pounds (166,621,337 yen), a decrease of 31.1 per cent in quantity but an increase of 16.1 per cent in value. Shipments of cotton yarns amounted to 26,266,020 pounds (26,289,794 yen) as compared with 38,182,848 pounds (30,465,092 yen) in the 1939 period, decreases in both volume and value of 31.2 per cent and 13.7 per cent, respectively. The exports of artificial silk yarns, threads, etc., showed a very substantial increase, having amounted to 32,608,224 pounds (31,815,990 yen) in the six months under review as against 14,993,352 pounds (11,412,050 yen) in the corresponding period of 1939, an increase of 117.5 per cent in volume and of 178.8 per cent in value. Exports of knitted goods increased by 8.2 per cent in value—from 18,614,000 yen in the first half of 1939 to 20,137,000 yen in the first half of 1940, but the volume of the trade fell from 6,799,566 dozen articles to 5,266,144 dozen.

The export trade in machinery was valued at 122,112,261 yen as against 102,029,071 yen for the first six months of 1939; this represented an increase of 19.7 per cent. Automobiles and parts thereof accounted for 29,502,000 yen as compared with 18,006,000 yen; iron manufactures were exported to the value of 55,071,758 yen as against 32,870,364 yen, an increase of 67.5 per cent. Exports of glass and manufactures thereof were valued at 16,055,855 yen, an increase of 29.5 per cent when compared with the value of 12,395,899 yen for the corresponding six months of 1939.

Wheat-flour exports showed increases in both quantity and value, the volume of the trade having increased from 130,058,808 pounds for the first half of 1939 to 271,523,168 pounds for the period under review, an increase of 108.8 per cent, while the value advanced from 14,665,813 yen to 26,504,420 yen or

80.8 per cent. Shipments of comestibles in tins or bottles totalled 124,329,348 pounds, a decrease of 24.2 per cent from the volume of 164,051,976 pounds in the corresponding period of 1939; the value, however, increased slightly (2.8 per cent) and was 42,391,684 yen as against 41,216,697 yen.

Wood and wood products (not paper) were exported to the value of 72,234,814 yen as compared with 44,652,404 yen, an increase of 61.8 per cent. Exports of paper during the first half of 1940 amounted to 170,758,236 pounds (38,677,237 yen), whereas those for the corresponding six months of 1939 totalled 177,380,808 pounds (30,649,094 yen), a decrease of 3.7 per cent in volume but an increase of 26.2 per cent in value.

A considerable increase is noted in the export of pottery, the value having been 31,212,986 yen for the six months under review as compared with 19,720,867 yen for the corresponding period of 1939. Trade in aquatic products also expanded greatly (126.7 per cent), the values being 33,856,211 yen and 14,933,364 yen for the first six months of 1940 and 1939, respectively. Minerals and manufactures thereof were exported to the value of 18,493,963 yen as against 14,989,266 yen.

As shown above, the values of the exports under all but two of the groups of commodities mentioned record increases, the exceptions being woollen tissues and cotton yarns. On the other hand, in only three of the groups where details of the quantities are available were larger volumes of shipments made, namely, artificial silk yarns, threads, etc.; wheat flour; and aquatic products. This reflects the increases which have taken place in the cost of articles in Japan.

IMPORTS

IMPORTS BY AREAS

As in the case of exports, details are no longer available as to the various countries of origin of imports into Japan, the information now published being limited to continental areas. Imports into Japan proper during the first six months of 1940 were valued at 1,712,053,171 yen as compared with 1,478,321,567 yen for the corresponding period of 1939. These imports came from the different areas as follows (the corresponding values for 1939 being shown within parentheses): Asia, 774,252,064 yen (591,749,735 yen); Europe, 97,635,874 yen (170,273,356 yen); North America, 648,492,728 yen (574,662,485 yen); Central America, 4,496,192 yen (1,532,028 yen); South America, 74,238,881 yen (44,376,965 yen); Africa, 52,533,754 yen (43,346,432 yen); and Oceania, 60,403,678 yen (52,380,566 yen). The only outstanding feature of these import statistics is, as was to be expected, a sharp drop in the imports from Europe and increases in purchases from all other areas. It is of interest to note that of the imports valued at 170,273,356 yen during the first six months of 1939, shipments to a value of 78,686,088 yen came from Germany, 14,994,877 yen from Norway, 13,608,007 yen from Great Britain, and 13,587,502 yen from Sweden. In the absence of statistics it can only be assumed that Germany has suffered largely by the reduction in imports from Europe.

IMPORTS BY CLASSES

The imports during the first six months of 1940 of commodities classed as "raw materials" were valued at 823,800,000 yen as compared with 679,844,000 yen for the corresponding period of 1939; imports of "manufactures for further use in manufacturing" were valued at 450,759,000 yen as against 449,140,000 yen; "articles wholly manufactured" were imported to the value of 196,698,000 yen as compared with 208,087,000 yen for the 1939 period; purchases of "food, drink, and tobacco, in a natural state" amounted to 200,205,000 yen in the

period under review in contrast to 109,774,000 yen for the six months of 1939, while similar articles of food, etc., "partly or wholly prepared," were imported to the value of 28,615,000 yen as against 21,979,000 yen. The remainder of the imports were under the headings "miscellaneous" and "re-imports."

PRINCIPAL IMPORTS

Ores and Metals.—Imports of ores and metals during the six months ended June, 1940, were valued at 427,790,096 yen as compared with 418,408,448 yen for the corresponding period of 1939 and 340,442,896 yen for the first half of 1938. No information is available as to the various kinds of ores and metals which were purchased nor of the quantities and values concerned. Similarly it is not possible to indicate the countries which shared in this trade.

Yarns, Threads, Twines, Cordages and Materials.—Total imports under this classification during the period under review were valued at 346,317,174 yen as compared with 289,103,091 yen for the first half of 1939. The principal item of import in the group was ginned cotton, for which the value was 265,529,544 yen as against 217,700,460 yen for the 1939 period. Vegetable fibres (including flax, China grass and ramie, hemp, manila hemp, etc.) were purchased to the value of 22,609,343 yen as compared with 15,971,641 yen. Imports of wool amounted to 49,748,372 yen for the first six months of 1940 and to 44,663,780 yen for the corresponding months of 1939. Waste or old fibres were purchased to the total value of 5,790,183 yen as compared with 6,379,894 yen for the first half of 1939.

Oils, Fats, Waxes, and Manufactures Thereof.—Imports of oils, fats, etc., during the six months ended June 30, 1940, were valued at 159,643,949 yen as compared with 130,670,086 yen for the corresponding period of 1939. This increase undoubtedly resulted from the possibility of the United States imposing restrictions on the export of such oils as might be required for domestic use. No details are available of the kinds of oils and other items in this group which were imported, most of the imports being under the general heading of "other oils, fats, and waxes," the value of which was 156,601,839 yen (127,447,053 yen for the 1939 period). Purchases of paraffin amounted to 974,677 yen as against 1,067,153 yen.

Minerals and Manufactures Thereof.—The value of imports of minerals and manufactures during the first six months of 1940 was 110,031,847 yen as against 71,028,173 yen for the corresponding period of 1939. Coal was the principal commodity in this classification, being valued at 58,495,289 yen as compared with 31,956,860 yen for the six months of 1939. Other items which were imported in substantial quantities were: dolomite and magnesite, 6,481,000 yen (3,601,330 yen); coke, 4,489,863 yen (3,063,332 yen); clay, 2,652,557 yen (3,214,752 yen); and talc and soapstone, 1,224,257 yen (791,468 yen). Imports under the heading "others" were valued at 35,971,587 yen (27,677,984 yen).

Clocks, Watches, Scientific Instruments, Firearms, Vehicles, Vessels and Machinery.—The total value of imports during the period under review was 118,232,169 yen as compared with 152,716,257 yen for the corresponding period of 1939. Of these totals, machinery accounted for 105,273,651 yen and 132,194,022 yen, respectively. The principal commodities specified in this classification were: telegraphic instruments, 2,169,259 yen (471,657 yen); clocks and watches, 315,208 yen (503,567 yen); "other scientific instruments," 2,773,182 yen (4,090,305 yen).

Grains, Flours, Starches, etc.—Imports of grains, flours, starches and similar commodities during the first half of 1940 were valued at 219,477,050 yen as compared with 124,503,855 yen for the corresponding period of 1939. Beans

and peas were purchased to the value of 66,258,398 yen as against 80,653,938 yen; wheat flour was imported to the value of 962,306 yen as compared with 2,616 yen for the first six months of 1939. Although no statistics are available it is known that Canada has supplied a considerable quantity of flour to Japan during the period under review. Oil-yielding seeds were purchased to the value of 19,932,354 yen as against 16,417,009 yen, while Indian corn accounted for 15,351,076 yen (15,734,824 yen); millet for 8,048,786 yen (175,293 yen), and "kaoliang" for 1,750,817 yen (7,372,451 yen). The value of imports of unspecified grains and seeds for the six months under review was 106,626,986 yen as compared with 3,653,112 yen for the 1939 period.

Plants and Animals.—Total imports under this heading were valued at 994,885 yen as against 649,390 yen for the first six months of 1939.

Beverages, Comestibles and Tobacco.—Commodities under this heading were imported to the value of 29,783,700 yen for the first half of 1940 as compared with 25,561,180 yen for the corresponding period of 1939. Included in this group were coffee to the value of 1,402,062 yen (481,174 yen); alcoholic liquors, 91,984 yen (80,162 yen); fresh beef, 801,999 yen (2,575,521 yen); beef in tins or bottles, 87,449 yen (99,366 yen); and salted fish, 600,017 yen (615,799 yen). Most of the imports were included under the heading "other."

Skins, Hairs, Bones, Shells, etc.—Imports during the first six months of 1940 of skins, hairs, bones, horns, tusks, shells and manufactures thereof were valued at 23,737,960 yen as against 29,005,639 yen for the corresponding months of 1939. The principal commodities specified in this classification were: hides and skins, 16,145,268 yen (19,189,038 yen); leather, 1,128,545 yen (654,540 yen); animal hair, 1,862,857 yen (2,100,715 yen); bones, 1,646,469 yen (1,582,746 yen); shells of mollusca, 1,348,427 yen (3,361,054 yen); and animal sinews, 484,320 yen (444,687 yen).

Drugs, Chemicals, Medicines and Explosives.—Total imports under this heading for the six months under review were to the value of 123,346,371 yen as compared with 88,124,026 yen for the first half of 1939. Little information is available as to the imports of various commodities concerned; the chief items specified in the trade statistics were: gum and gum resins (including crude gutta percha), 40,928,959 yen (29,228,294 yen); soda ash, 1,042,375 yen (512,418 yen); crude sulphate of ammonium, 12,719,098 yen (5,049,993 yen); and liquorice, 343,493 yen (599,092 yen).

Tissues and Manufactures Thereof.—The import trade in tissues is limited, and during the first half of 1940 was valued at 2,219,663 yen as against 1,247,847 yen for the corresponding period of 1939.

Papers, Paper Manufactures, Books, and Pictures.—Imports of commodities under this classification during the six months under review were valued at 31,695,687 yen as compared with 34,809,256 yen for the first half of 1939. Included in this group is pulp of all kinds which, in fact, constituted the major portion of the imports. Pulp for artificial silk manufacture was imported to the value of 26,161,614 yen as against 28,465,939 yen for the 1939 period, while pulp for paper making accounted for 3,885,018 yen (4,129,670 yen).

Dyes, Pigments, Coatings, and Filling Materials.—Dyes, pigments, etc., were imported during the first half of 1940 to the value of 4,719,541 yen as compared with 5,149,299 yen. The principal commodities enumerated in this group were: lacquer to the value of 1,416,740 yen (708,015 yen); pitch and asphalt, 213,592 yen (125,216 yen); ultramarine blue, 87,206 yen (59,295 yen); logwood extract, 91,406 yen (87,923 yen); and paints, 32,687 yen (54,263 yen).

Glass, Glass Manufactures and Clay Manufactures.—Imports during the first six months of 1940 of commodities under this heading were valued at

1,298,869 yen as compared with 1,487,769 yen for the corresponding period of 1939. The principal item was fire bricks, which accounted for 620,699 yen as against 812,536 yen.

Metal Manufactures.—The import trade in metal manufactures is relatively small, as Japan endeavours to import such raw materials as are necessary and manufactures the commodities locally. The value of the imports during the first half of 1940 was 2,589,427 yen as compared with 2,872,247 yen for the relative period of 1939. Nails, rivets, screws, bolts, nuts and the like were purchased to the value of 461,640 yen as against 443,773 yen; iron nails accounted for 351,617 yen (275,090 yen); iron cylinders for compressed gases, 214,226 yen (388,315 yen); mechanics' tools, agricultural implements and parts thereof, 196,312 yen (159,056 yen); and coils and valves, 178,876 yen (579,336 yen).

Miscellaneous.—Imports under the general classification "miscellaneous" for the period under review were valued at 162,621,045 yen as against 144,706,914 yen for the first half of 1939. Included under this heading was "wood," which was purchased to the value of 17,939,107 yen as against 4,705,086 yen. The largest individual item was manures, which were valued at 60,580,603 yen as compared with 56,779,990 yen. Oil cake accounted for 55,740,755 yen in comparison with 54,289,130 yen for the 1939 period. Other commodities which were imported in large quantities were: manufactures of india-rubber or gutta percha, 306,467 yen (108,336 yen); fodder, 11,254,183 yen (7,915,648 yen); bone dust, 4,680,084 yen (2,460,101 yen); and wheat bran, 207,792 yen (6,755,711 yen); and articles by post, 4,868,860 yen (3,845,559 yen). Imports of unspecified miscellaneous commodities for the period under review were valued at 7,042,192 yen as against 7,847,353 yen in the 1939 period.

TRADE WITH CANADA

No statistics are available in Japan of trade with Canada, and it is not possible even to give the total value of such trade, as the statistics covering both exports and imports are now compiled on the basis of geographical or continental areas rather than by countries. The Dominion Bureau of Statistics has furnished the value of the trade as compiled in Canada, showing that during the six months ended June 30, 1940, Canada's exports to Japan proper were valued at \$6,922,422 as compared with \$14,041,959 for the corresponding period of 1939. Imports from Japan into Canada during the half-year were valued at \$2,659,677, as against \$2,134,573 for the first six months of 1939.

FOREIGN TRADE OF CHINA, JANUARY-JUNE

M. T. STEWART, ACTING TRADE COMMISSIONER

(Unless otherwise stated, all dollar references are to the Chinese standard dollar. The exchange value of the Chinese standard dollar until March 15, 1938, was stable at approximately U.S.\$0.29½; for the last six months of 1938 and until the end of May, 1939, it averaged approximately U.S.\$0.16½; for the second half of 1939 it was U.S.\$0.11; and for the first half of 1940 approximately U.S.\$0.06½. The current official value of the customs gold unit is U.S.\$0.677.)

Shanghai, August 24, 1940.—The statistical returns of the trade of China for the month of June and first six months of 1940 have just been released by the Chinese Maritime Customs, presenting an opportunity to survey the import and export trade of China and the current trading position as compared with the corresponding period of 1939. The wide variations in the foreign exchange value of the Chinese dollar make accurate comparisons

difficult, but it is clear that the dislocation of the trade of China consequent upon the Sino-Japanese hostilities continues to be very great and has been further aggravated during the period under review by the large-scale hostilities in Europe.

The presentation of the trade returns of China in clear and concise terms has become practically impossible. The situation is further complicated by the Customs in North China adopting a different procedure from that followed in Central China. The import returns for Central China (which includes Shanghai) are based on customs gold units calculated on the old official rate of exchange for the Chinese dollar; in North China the returns are made up on the basis of the open market rate, which has the practical effect of over-valuing the imports into North China by about three times as compared with the Central China imports. This discrepancy is not recognized or adjusted in the customs returns, but it has been allowed for when making up the United States dollar totals shown below.

ADVERSE TRADE BALANCE

China's foreign trade for the first six months of 1940, with the totals adjusted for currency depreciation, was valued at U.S.\$244,579,000. The following table shows the values of imports and exports and the trade balance for the period and for the corresponding periods of 1939 and 1938:—

	Jan.-June, 1940	Jan.-June, 1939	Jan.-June, 1938
	Thousands of U.S. Dollars		
Imports	180,016	175,269	113,882
Exports	64,563	53,913	80,117
Total	244,579	229,182	193,999
Excess of imports	115,453	121,356	33,765

Exports from China during the six months amounted to Chinese \$934,585,000 as compared with \$411,610,000 for the first half of 1939 and \$312,990,000 for that of 1938, but it should be noted that the depreciation in the exchange value of the Chinese dollar is responsible for most of the increase in the local currency figures. However, even when valued in United States dollars, exports from China increased nearly 20 per cent and a reduction was shown in the adverse trade balance in comparison with the corresponding period of the previous year. Imports at open market rates totalled Chinese \$4,817,705,800 as compared with \$1,337,705,000 in 1939 and \$444,900,000 for the corresponding period of 1938. China's foreign trade for the first half of 1940, in terms of United States currency, showed an increase of 6.7 per cent as compared with the corresponding six months of 1939, this increase being brought about by an advance of 2.7 per cent in imports and 19.8 per cent in exports.

TRADE ACTIVITY AT SHANGHAI

Shanghai's import trade for the first half of 1940 as compared with the corresponding period of 1939 showed an increase of 36.6 per cent in value, whereas in the first half of 1939 as compared with the first six months of 1938 it increased 258 per cent. Imports for the rest of China during the first half of the current year declined 24.8 per cent in value as compared with the previous year, when there was an increase of 33.9 per cent over the first half of 1938. Exports from Shanghai showed a gain of 95.5 per cent over the corresponding period of 1939, but exports from the rest of China decreased by 35.11 per cent.

The activity in the port of Shanghai in import and export trade was remarkable during the period under review, as is indicated by the large per-

centage increases. The intensified blockade of the coast of China has caused a much greater concentration of trade in and out of Shanghai than would otherwise have been the case. The contrast between the trade activity at Shanghai and in the remainder of China is clearly brought out in the following tables showing total trade, imports and exports in the first half of 1940 and 1939:—

	Jan.-June, 1940 U.S.\$	Jan.-June, 1939 U.S.\$	Inc. or Dec. U.S.\$
Total trade—			
Shanghai	151,581,600	101,229,900	+ 50,351,700
Rest of China	92,998,200	127,952,300	— 34,954,100
Total	244,579,800	229,182,200	+ 15,397,600
Imports—			
Shanghai	107,307,500	78,580,800	+ 28,726,700
Rest of China	72,708,900	96,688,200	— 23,979,300
Total	180,016,400	175,269,000	+ 4,747,400
Exports—			
Shanghai	44,274,100	22,649,100	+ 21,625,000
Rest of China	20,289,400	31,264,200	— 10,974,800
Total	64,563,500	53,913,300	+ 10,650,200

CHINA'S IMPORTS BY PRINCIPAL SUPPLYING COUNTRIES

Following is a table showing the imports of China from the chief supplying countries for the first six months of 1940 and 1939, values in thousands of Chinese dollars being at the *official* rate of exchange:—

China's Imports by Principal Supplying Countries

	Jan.-June, 1939			Jan.-June, 1940		
	\$1,000	Rank	Per Cent	\$1,000	Rank	Per Cent
Total imports	724,955	..	100.00	972,741	..	100.00
Japan	170,404	1	23.51	229,249	1	23.57
United States	112,049	2	15.46	211,453	2	21.74
British India, incl. Burma	70,662	3	9.74	83,809	3	8.61
French Indo-China	17,082	10	2.36	79,951	4	8.22
Netherlands India	33,001	8	4.55	59,274	5	6.09
Kwantung Leased Territory	58,696	4	8.10	54,564	6	5.61
Hongkong	17,289	9	2.39	41,249	7	4.24
Great Britain	39,502	6	5.45	36,410	8	3.74
Australia	39,477	7	5.45	29,529	9	3.04
Thailand (Siam)	14,895	11	2.05	23,901	10	2.46
Germany	51,367	5	7.09	23,221	11	2.39

Japan continued to occupy the position of leading supplier to China, with the United States next in importance. Prior to 1939 the United States enjoyed a greater export trade to China than did Japan, but the latter country made impressive gains in her exports to China during 1939. French Indo-China showed a substantial increase, moving from tenth to fourth position, but almost the whole of this gain was accounted for by heavy coal and rice shipments to Shanghai.

CHINA'S IMPORTS BY PRINCIPAL COMMODITY GROUPS

In the following table are given China's imports according to principal commodity groups for the first six months of 1940 and 1939. The values are shown only in customs gold units, the official rate of which was Chinese \$2·707 in June, 1940, as compared with the average value of \$2·395 during 1939:—

China's Imports by Principal Commodity Groups

	Jan.-June, 1939	Jan.-June, 1940
	Gold Units	Gold Units
Total imports	300,775,810	356,867,099
1. Manufactured cotton goods (including raw cotton, yarn and thread)	40,768,032	62,040,254
2. Flax, ramie, hemp, jute, and manufactures thereof	5,730,509	6,771,080
3. Wool and manufactures thereof	4,780,113	5,157,226
4. Silk (including artificial silk) and manufactures thereof	6,576,045	7,993,192
5. Metals and ores	15,294,056	20,820,884
6. Machinery and tools	13,126,293	11,015,557
7. Vehicles and vessels	9,752,067	7,172,128
8. Miscellaneous metal manufactures	7,674,588	7,563,186
9. Fishery and sea products	3,391,023	6,010,333
10. Animal products, canned goods and groceries	3,431,033	7,328,496
11. Cereals and flour	50,669,902	68,037,357
12. Fruits, seeds and vegetables	7,449,055	8,688,921
13. Medicinal substances and spices	2,743,213	4,089,094
14. Sugar	13,323,769	11,520,637
15. Wines, beer, spirits, table waters, etc.	1,261,774	1,580,422
16. Tobacco	10,432,824	9,702,063
17. Chemicals and pharmaceuticals	16,506,109	15,862,161
18. Dyes, pigments, paints, and varnishes	10,218,916	9,210,319
19. Candles, soap, oils, fats, waxes, gums, and resins	26,934,205	29,560,075
20. Books, maps, paper, and wood pulp	13,440,210	12,455,631
21. Hides, leather, and other animal substances	1,703,598	1,842,478
22. Timber	7,135,256	9,563,969
23. Wood, bamboos, rattans, coir, straw, and manufac- tures thereof	2,590,144	3,818,923
24. Coal, fuel, pitch, and tar	5,701,852	9,994,662
25. Chinaware, enamelled ware, glass, etc.	1,332,091	1,384,235
26. Stone, earth, and manufactures thereof	1,149,340	1,234,341
27. Sundry	17,659,793	16,449,475

PRINCIPAL IMPORTS FROM CANADA

The following table shows details of China's imports from Canada during the first six months of 1940 as compared with the corresponding period of 1939:—

	Jan.-June, 1939	Jan.-June, 1940
	Gold Units	Gold Units
Total imports	2,692,000	1,535,000
Knitted cotton clothing, not raised	1,501	1,410
Silk (including artificial silk) clothing, and all articles of personal wear and parts or accessories thereof, n.o.r.	2,166	326
Aluminium (not including foil)	310,811	257,329
Lead, pigs or bars	125,166	98,779
Zinc	79,164	.....
Printing, bookbinding, and paper-making machinery and parts	4,041	10,741
Machinery and parts, n.o.r.	1,199	2,420
Motor cars and buses (including chassis)	6,465	2,719
Electric wire, insulated	12,555	27,630
Needles, n.o.r.	2,358	4,803
Salted herring	89,816	30,441
Cream and milk, evaporated or sterilized	1,251	17,179
Milk food	20	1,132
Foodstuffs, canned or in any other packing, n.o.r.	2,552	110
Animal products and groceries, n.o.r.	1,174	487
Cereals, n.o.r.	2,461	4,006
Flour, wheat	277,166	130,059
Whisky, in bottles	2,341	3,996
Wines, spirits, and beer, n.o.r.	460	5,282
Sulphate of ammonia	43,756	6,702
Medicines, drugs, etc., n.o.r.	3,015	5,739
Oxide of cobalt	262	4,294
Common printing and newsprint paper (made chiefly of mechanical wood pulp)	73,744	292,337
Kraft paper	62,637	131,989
Paper, n.o.r. . . . .	.....	40,842
Wood pulp . . . . .	.....	7,851

Principal Imports from Canada—Concluded

	Jan.-June, 1939	Jan.-June, 1940
	Gold Units	Gold Units
Paperware and all articles made of paper, n.o.r.	547	708
Leather, n.o.r. (including coloured)	66	5,012
Skins (furs)	20,223	23,099
Rough-hewn and round hardwood logs	35,512	8,594
Rough-hewn and round softwood logs	395,454	.....
Sawn softwood	688,939	142,305
Manufactured softwood	88,369	39,974
Rubber pneumatic tires for motor vehicles	45,755	50,757
Rubber inner tubes for motor vehicles	5,202	4,887
Rubber manufactures, n.o.r.	778	1,828
Musical instruments and parts or accessories, n.o.r.	5,477	5,144
Toys and games	2,561	3,112
Miscellaneous goods and sundries, n.o.r.	2,342	2,056

Several important semi-raw materials were not imported in the usual volume from Canada during the period under review, notably softwood timber, lead and zinc, sulphate of ammonia, wheat flour and dry salt herring. On the other hand, exports of newsprint and kraft paper showed a substantial increase.

CHINA'S EXPORTS TO PRINCIPAL BUYING COUNTRIES

The following table shows the values of China's exports to her ten leading customers and to Germany in the first half of 1940, the values of exports to these countries in the first half of 1939, and their relative positions in the two periods:—

China's Exports to Principal Buying Countries

	Jan.-June, 1939			Jan.-June, 1940		
	\$1,000	Rank	Per Cent	\$1,000	Rank	Per Cent
Total exports	412,791	..	100.00	936,192	..	100.00
United States	67,089	2	16.25	232,282	1	24.81
Hongkong	104,374	1	25.28	204,948	2	21.89
Great Britain	33,046	3	8.01	85,888	3	9.17
Japan	32,931	4	7.98	51,589	4	5.51
British India	7,967	10	1.93	44,604	5	4.77
Kwantung Leased Territory. Straits Settlements and F.M.S.	26,808	6	6.49	39,692	6	4.24
France	13,556	9	3.28	29,594	7	3.16
Netherlands India	13,674	8	3.31	29,209	8	3.12
Thailand (Siam)	2,372	18	0.57	17,520	9	1.87
Germany	4,026	13	0.98	16,894	10	1.81
	30,712	5	7.44	2,002	23	0.21

The total volume of exports from China in the period under review showed a remarkable apparent increase over the first half of 1939; but, as pointed out elsewhere in this report, the increase is largely attributable to the depreciation in the exchange value of the Chinese dollar.

The United States increased its purchases from China very substantially. It is reasonable to suppose also that a large percentage of the increased export trade from Hongkong eventually found its way to American markets as well, since Hongkong until recently handled a thriving entrepot import and export trade with free China. Exports to Japan did not show a very impressive increase and recorded figures for Germany show a marked decline as against the first half of 1939.

CHINA'S EXPORTS BY PRINCIPAL COMMODITY GROUPS

The following table lists China's exports according to principal commodity groups for the January-June periods, 1940 and 1939:—

China's Exports by Principal Commodity Groups

	Jan.-June, 1939	Jan.-June, 1940
	\$1,000	\$1,000
Total exports	411,610	934,585
Animals and animal products (not including hides, leather, and skins (furs) and fishery products)	81,983	131,011
Hides, leather and skins (furs)	15,766	39,293
Fishery and sea products	1,923	2,128
Beans and peas	2,977	7,927
Cereals and cereal products	14,215	15,617
Dyestuffs, vegetable	1,671	1,983
Fruits, fresh, dried and preserved	8,432	7,192
Medicinal substances and spices (not including chemicals) . .	8,688	15,206
Oil, tallow and wax	29,669	59,523
Seeds	11,960	18,604
Spirituous beverages	683	2,775
Tea	6,662	71,815
Tobacco	6,487	3,622
Vegetables	6,473	7,489
Other vegetable products	3,638	6,369
Bamboo	946	1,097
Fuel	11,456	30,467
Timber, wood and manufactures thereof	2,141	4,068
Paper	4,319	8,784
Textile fibres	48,690	141,918
Yarn, thread, plaited and knitted goods	28,341	81,919
Piece-goods	14,876	68,821
Other textile products	10,778	35,398
Ores, metals and metallic products	50,110	71,477
Glass and glassware	1,352	8,510
Stone, earth, sand and manufactures thereof (including chinaware and enamelled-ware	4,272	8,630
Chemicals and chemical products	6,132	21,793
Printed matter	1,568	2,549
Sundry	25,092	58,356

CHINA'S EXPORTS TO CANADA

China's exports to Canada amounted to Chinese \$13,892,000 as compared with Chinese \$5,959,000 during the corresponding period of 1939. This apparent large increase, however, is accounted for by the depreciation in exchange. When converted into United States currency at average rates of exchange the export returns for 1940 show a small decrease, exports during the first six months of this year amounting to U.S.\$903,500 as compared with U.S.\$983,400 for the first half of 1939. However, even when full allowance is made for exchange depreciation, the increase over the first six months of 1938 (when exchange was normal) is impressive, exports then amounting to U.S.\$450,000 only.

Following are some of the chief items in which an increase is reported, the 1939 figures being shown within parentheses: animals and animal products, not including hides, leather and skins (furs), and fishery and sea products, Chinese \$241,900 (\$4,500); walnut kernels, \$1,222,600 (\$1,168,100); groundnut oil, \$1,644,600 (\$854,900); groundnuts, in shell, \$578,600 (\$177,900); groundnuts, shelled, including blanched peanuts, \$3,616,200 (\$1,337,000 in 1939 and \$219,000 in 1938); cross-stitch work and embroideries other than silk, \$1,406,800 (\$904,200); lace and trimmings, \$1,317,200 (\$482,800); yarn and thread n.o.r., \$1,559,960 (nil); woollen carpets, \$107,300 (\$146,600); sundries, \$390,000 (\$12,400).

EXCHANGE SITUATION AT SHANGHAI

An appraisal of the trade of China involves a number of complicated political considerations. The exchange and commodity markets of Shanghai are affected daily by rumours and reports of acts of aggression. Throughout the world upheaval, the trade of Shanghai has continued to be remarkably active and a very prosperous period has been enjoyed by a favoured few, indescribable

poverty abounding on the other hand. The outlook is very uncertain and this is clearly reflected in the low exchange value of the Chinese dollar and its extreme susceptibility to political rumours and manoeuvres. It is currently quoted at 3½d. or U.S.\$0.05½ and, with a continued heavy excess of imports over exports at Shanghai, strengthening factors are difficult to discern.

The export season usually gets under way about October. Normally with new domestic crops of cotton and rice available there should then be a substantial decline in purchases from abroad, accompanied by considerably greater activity in the export trade and a consequent excess of export bills on the market to strengthen the dollar. This autumn, however, the situation is complicated by a practically complete blockade of the coast of China, while an unusually dry season has seriously interfered with crop production. In this connection it should be noted that production of field crops in occupied China has not been anything approaching normal since the outbreak of hostilities in 1937.

Shanghai is now the only absolutely free exchange market remaining in the world and the Chinese dollar is largely a medium for speculation as no control or support is provided in the Shanghai market. Its future can only be characterized at the best as uncertain.

OUTLOOK

To attempt to forecast the future of the trading possibilities in China under existing conditions is to invite trouble. There has been undoubtedly a good market for imported products of all kinds during the first half of the current year. Given some assurance of peaceful conditions without political pressure from any country, a strong and active market for imported goods could be expected in Shanghai for the duration of the world war. The trade of China, from the import angle, is largely that of Shanghai, as imports into all other ports are carefully restricted. North China has recently been placed under a strict regime of import control and no semblance of a free market remains in that formerly important territory. Thus it is difficult to view the future without a considerable degree of apprehension.

VEGETABLE OILS IN ARGENTINA

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, August 28, 1940.—There has been a steady increase in the domestic production of edible vegetable oils in Argentina during the past ten years. The main edible oils produced are from sunflower and cotton seed. The increase in local production has been largely at the expense of imported oils such as olive oil, which was imported in large volume from Spain and Greece. Imports of edible oils fell from 130 million pounds in 1930 to 20 million pounds in 1939, while domestic production increased from 57 million to 202 million pounds during this period. Since the population of Argentina is largely of Latin origin, vegetable oils rather than animal fats are customarily used in cooking food.

CONSUMPTION

Argentina does not export vegetable oils in any quantity. The following table shows the trends in the production, imports and consumption of vegetable oils in Argentina since 1929:—

	Domestic Production	Imports		Total Consumption
		Edible Figures in	Inedible Pounds	
1939	201,717,242	20,484,713	8,822,277	231,024,232
1938	192,774,338	41,260,548	8,861,881	242,896,767
1937	156,325,208	27,671,063	10,345,013	194,341,284
1936	145,784,360	33,906,631	7,656,000	187,346,991
1935	129,179,551	47,619,970	8,072,958	184,872,479
1934	113,401,553	51,057,450	6,877,272	171,336,275
1933	94,100,148	83,191,932	8,790,818	186,082,898
1932	81,694,601	79,968,391	8,230,507	169,893,499
1931	67,182,686	91,821,619	11,032,894	170,037,199
1930	57,286,489	130,861,979	11,858,829	200,007,297
1929	58,013,000	113,648,298	11,669,233	183,330,531

PRODUCTION

The following table shows the classes and quantities of the various vegetable oils produced in Argentina in 1939:—

	Seed Used Pounds	Natural Oil Extracted Pounds
Sunflower	532,150,076	128,841,677
Cotton	316,760,386	34,357,619
Flaxseed	51,512,929	16,059,244
Peanut	42,206,890	14,895,092
Corn	28,376,807	845,513
Turnip	16,502,293	4,757,471
Tártago	3,531,929	1,282,992
Grape seed	1,807,854	164,250
Olives	1,428,646	294,616
Tung seed	795,897	218,768
Total	995,073,707	201,717,242

RESIDUES

Residues and by-products of the vegetable oil industry in 1939 consisted of 121,618 short tons of oil cake, 70,450 tons of flour, and 14,764 tons of other products. Argentina exported 179,292 tons of oil cake, made up of 54,100 tons from the vegetable oil industry and 26,906 tons of oil-bearing seed, including turnip, sunflower and cotton but excepting flaxseed, in 1939. The principal markets for the oil cake were the United Kingdom and the dairying countries of Europe.

ANIMAL FATS

Argentina is a large producer and exporter of animal fats, of which tallow is the principal item. Exports of all animal fats in 1939 amounted to 176,791,000 pounds. There has been little change in the volume of animal fat exports during the past ten years.

POINTS FOR EXPORTERS TO URUGUAY

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, September 16, 1940.—The Republic of Uruguay lies between Brazil and Argentina on the east coast of South America. Uruguay is similar in every respect to any one of the central provinces in the grain-growing and cattle-raising zone of Argentina. As a market, Uruguay has all the characteristics of the Argentine but is about one-tenth the size.

Uruguay has a population of 2,020,040, of which 666,130 or one-third is in the capital city of Montevideo. The port of Uruguay is Montevideo, which is just an overnight river-boat trip from Buenos Aires. The River Plate, which is about 40 miles wide, separates Uruguay from Argentina. The area of Uruguay is 72,153 square miles.

INDUSTRIES

Rural.—Uruguay has a temperate climate, but there is no snow in winter; being in the Southern Hemisphere, the seasons are the reverse of those in Canada.

Uruguay has fertile agricultural land. Whereas the Argentine plains are absolutely flat and treeless, Uruguay is somewhat rolling. Live-stock raising is the principal industry. Wool accounts for over 50 per cent of the normal annual exports of the country. The other important exports are beef, mutton, tinned meats and hides. Uruguay also produces flaxseed for export, but is not an important producer of wheat. Any temperate or sub-temperate fruit or vegetable can be grown in Uruguay.

Urban.—The bulk of the urban population is concentrated in the city of Montevideo. Manufacturing industries have been encouraged under heavy tariff protection. Local manufacturers now provide practically all the staple requirements of the country that can be at all conveniently manufactured locally for a population the size of Uruguay's. The definite aim has been to achieve a reasonable well-balanced economy. Some ten years ago Uruguay was known for her advanced social legislation. The attitude of the Government has not changed towards industrial labour.

Uruguay has a very important summer tourist traffic to her seaside resorts from Argentina.

IMPORT CONTROL

The Government of Uruguay controls all imports of goods. The general principle behind the control regulations is that Uruguay must buy from those countries which accept, or are in a position to accept, in volume for consumption the products that can be offered from Uruguay, such as wool, meats, hides and flaxseed. Uruguay can afford to buy only necessities like newsprint, farm machinery, asbestos fibre, seed potatoes, metals, or such manufactured products as typewriters and automobiles and parts, which are not available elsewhere except from competitive agricultural countries like Canada and the United States. However, interested exporters should make inquiries as to the position in respect of their particular lines.

DOCUMENTATION

There are no particular difficulties in selling to Uruguay. Import duties are levied on a weight basis generally so that care must be exercised in declaring weights exactly. They must be in the metric system. Further, documents must arrive on time and certainly not later than the goods or heavy fines may be incurred. Documents must be legalized in Canada by a consul of Uruguay. Details of the documentation requirements of Uruguay are contained in a leaflet which may be obtained from the Department of Trade and Commerce, Ottawa. There is a Uruguayan Consulate at Halifax, N.S., and services of a forwarding agency could be utilized if there is any doubt in respect of the first shipments. The local railway agent can advise or give information to any shipper.

QUOTATIONS AND WEIGHTS

The language in Uruguay is Spanish, but the persons in Uruguay with whom an exporter will deal will write in English. The metric system is used and weights and measures should be only in that system. The port and only commercial centre of importance is Montevideo. Quotations should be in United States dollars and c.i.f. Montevideo. The Royal Bank of Canada has a branch in Montevideo.

COMMUNICATIONS

There is no direct steamship service between Eastern Canadian ports and Montevideo. However, occasional steamers carrying full cargoes of commodities, such as newsprint or seed potatoes, stop at Montevideo. There is a daily air-mail service both ways between Uruguay and North America.

POINTS FOR EXPORTERS TO PARAGUAY

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, September 16, 1940.—The Republic of Paraguay is almost in the geographic centre of South America. It lies between Argentina, Brazil and Bolivia. The population of Paraguay is approximately 900,000. The area is 61,600 square miles. In addition the Chaco area, which is jungle with only nomadic tribes, has another 100,000 square miles.

Whereas the people of Argentina and Uruguay are entirely of European extraction, being Spanish and Italian, Paraguay's population is largely of Guarani Indian descent. Only a comparatively few families are pure Spanish.

The capital of Paraguay is Asunción. It is a city of approximately 100,000 and it is the principal port and main commercial centre of the country. Asunción is on the Paraná River. Large river steamers navigate from Buenos Aires, Argentina, to Asunción in four days. All shipments of goods to Paraguay must be transhipped at Buenos Aires. The bulk of the external trade of Paraguay is handled by, or through, the large firms in Buenos Aires. Argentine peso currency is accepted in Paraguay.

INDUSTRIES AND EXPORTS

Paraguay is largely self-supporting, except for such specialized manufactured goods as are required for a million people with a very low level of income generally. Argentina can supply Paraguay with most classes of manufactured goods. The climate of Paraguay ranges from sub-tropical to tropical in the lowlands. There is excellent grazing for cattle and there are fine hardwood forests.

Paraguay exports to Argentina large quantities of *yerba maté*, a popular tea (herb). Tobacco is the second export product in importance. Cotton and sugar are also grown for export. Paraguay exports as well tinned meats and quebracho extract for tanning.

Paraguay produces all classes of sub-tropical and tropical fruits, such as oranges, tangerines, grapefruit and bananas. Manufacturing industries are practically confined to flour, cigarettes, beer, ice, mineral waters, soap, candles, bricks, shoes, matches, furniture, or the items of necessity. Apart from textiles and tools Paraguay does not import any important quantity of manufactured goods.

QUOTATIONS

Paraguay uses the metric system. Exporters should follow the instructions of the buyer or agent in preparing documents and should use the services of a forwarding agent if they have any doubt in respect of initial shipments. Packing should be strong in view of the transshipment to river steamer but consistent with the necessity of avoiding undue weight, since duties are levied on a weight basis. Quotations should be c.i.f. Buenos Aires and in U.S. dollars. There is an airmail service on alternate days between Asunción and North America. The airmail service should be used. It takes a month to five weeks for a letter to reach Asunción via ordinary mail.

There are North American and English banks in Asunción so that Canadian banks have reliable correspondents in Paraguay for obtaining credit information and negotiating drafts.

DOCUMENTATION

The documents covering shipments must be legalized at a Paraguayan consulate. There is a Consul of Paraguay in Vancouver, B.C. Information regarding documentation may be obtained from the Department of Trade and Commerce, Ottawa.

ECONOMIC CONDITIONS IN GUATEMALA

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, September 18, 1940.—An excellent coffee crop is expected in Guatemala this year, but the problem of disposing of it is still to be solved. At the International Coffee Conference in New York, Guatemala refused to accept the quota provisionally allotted her. Under normal conditions a considerable proportion of the crop to be harvested would be sold to Europe. The difficulty to-day is to obtain prices that will pay the cost of production.

The crop of maize, one of the principal foods of the Indians, is very poor this year. Coffee planters generally pay their wages in maize, and the scarcity of maize makes the situation of the planters very precarious.

The inability to dispose of the coffee crop and the poor maize crop will undoubtedly affect imports into Guatemala. Consequently, it is to be expected that Canadian sales to Guatemala will decrease this year. However, the decrease in normal lines of goods will be offset to a certain extent by those replacements of European goods which Canada at the present time is shipping to Guatemala.

Total exports from Guatemala during the first six months of 1940 were valued at 9,933,075 quetzales as compared with 10,736,718 quetzales for the corresponding period of 1939. Imports into Guatemala for these two periods were 7,211,751 and 7,608,097 quetzales, respectively. (The quetzal is at par with the United States dollar.)

Reflecting the decreasing foreign trade due to the reasons mentioned, national revenue from import and export duties at the end of June showed a decrease of 500,000 quetzales as compared with the same period last year.

TRADE AND ECONOMIC CONDITIONS IN AFGHANISTAN, 1938-39

K. F. NOBLE, ACTING TRADE COMMISSIONER

(The current value of the rupee is about \$0.33 Canadian)

Bombay, July 9, 1940.—Afghanistan lying to the northwest of India, is an agricultural country and depends on the export of raw materials to offset the imports of manufactured goods and, more recently, of industrial machinery. Isolated from the sea, it is dependent on trade routes reaching south through India and north through Russia. The Government, which exercises monopoly control over every phase of national and economic life, intensified its efforts during 1938-39 toward the improvement of agricultural technique, agricultural production and the industrialization of the country in the interests of self-sufficiency in certain essential commodities.

Agricultural extension work included distribution of cotton seed, establishment of cotton experimental farms and the bonusing of domestic production. The spheres of self-sufficiency in which the Government is immediately interested include cotton textiles, woollen goods and sugar production. During the year the Government's new participation in industry included the building of cotton gins for the processing of domestic crops at key points throughout the country, oil mills to utilize the cotton seed, two factories for the purpose of manufacturing illuminating oils from cotton seed, and a factory for the manufacture of piece-goods and blankets from domestic wool. It also included the establishment of two sugar factories and the opening of extended hydro-electric developments for the purpose of furnishing cheap industrial power.

GOVERNMENT CONTROL

The economic policy of Afghanistan is based on the monopoly control of industries, imports and exports, achieved through the chartering of concession companies directly responsible to the Government and in varying degree financed by the Bank-i-Millie Afghan, which holds monopoly banking privileges and exclusive jurisdiction over all exchange transactions.

The more important of these chartered monopoly companies known as "Shirkats," apart from the Bank-i-Millie Afghan, are the following:—(1) Shirkat-i-Abag, which is jointly financed by the Bank-i-Millie Afghan and the Skoda works to monopolize government construction work throughout the country; (2) Shirkat-i-Imran, which is the exclusive concessionaire for government construction work in the city of Kabul; and (3) Shirkat-i-Muhim-i-Nassaji, which was incorporated during the year to operate the government sponsored cotton mills.

In addition, there are the monopoly trading organizations, the most important of which are the Shirkat-i-Umumi Karakuli, controlling the karakul skin export trade; the co-operative companies of the north and Herat, controlling the trade with Russia in all but the few negligible items still open to the independent trader; and the Shirkat-i-Tiryak, controlling the monopoly export trade in opium.

During the year an extensive group of barter agreements was under consideration, and an understanding was reached with Italy based on the exchange of domestic wool, cotton, hides, lambskins, opium, carpets and precious stones for selected machineries needed for the planned industrialization of the country. A monopoly company to barter similar products with Germany was established, but was not in operation at the close of the year. Negotiations were likewise under way with Japan and India for concessions based on the favourable balances of trade held by those countries.

FOREIGN TRADE

Trade statistics issued in Afghanistan are incomplete, and the only detailed figures available are those covering the trade over the Afghan-Indian border, which are compiled from Indian customs records.

During the year ending March 31, 1939, the total value of the trade over the Indian border was Rs.46,389,245 (Canadian \$15,463,000), a decrease of approximately 12 per cent from the previous year's total of Rs.58,680,840. The value of imports changed but little, declining from Rs.21,618,181 to Rs.21,482,985, while the value of exports decreased by almost 50 per cent to Rs.24,906,260.

Comparative figures from Indian statistics, showing the total value of trade, imports, exports and trade balances for the two latest years are as follows:—

	Total Trade Rs.	Imports Rs.	Exports Rs.	Trade Balance Rs.
1937-38..	58,680,840	21,618,181	37,062,659	+ 15,444,478
1938-39..	46,389,245	21,482,985	24,906,260	+ 3,423,275

BALANCE OF TRADE

On the basis of the foregoing statistics, the trade balance of Afghanistan, although reduced by 75 per cent, shows a credit balance of Rs.3,423,275. Official Indian sources estimate that, apart from the favourable balance of trade shown on the transfer of goods over the Indian-Afghan border, there is a permanent balance of trade against Afghanistan, whose total exports to all countries account for not more than 34 per cent of its total trade. On the basis of this estimate the total balance of trade would be unfavourable to the extent of at least 32 per cent.

The movement of the afghani (the legal currency unit of the country) against the Indian rupee lends support to the theory of a permanent unfavourable balance. Despite stringent government exchange measures, the afghani, whose normal parity is 395 afghanis to Rs.100, declined progressively to as low as 595. By the end of the fiscal year the exchange position was so critical that the issuance of rupee exchange by the Bank-i-Millie Afghan to cover imports was discontinued. There has been some improvement in the position, and at time of writing the exchange value was about 510 afghanis to Rs.100.

EXPORTS

Wartime conditions abroad dislocated the existing trade in vegetables, lamb-skins and cotton, which were Afghanistan's principal export commodities, with the result that exports declined in value from Rs.37,062,659 to Rs.24,906,260. Following is a summary of principal exports for the past two years:—

	1937-38 Rs.	1938-39 Rs.	Inc. or Dec. Rs.
Fruits, nuts and vegetables	9,845,951	10,628,464	+ 782,513
Persian lambskins	23,113,046	10,355,068	-12,757,978
Wool manufactures	755,163	1,149,619	+ 394,456
Animals, living	1,043,433	898,959	- 144,474
Furs	90,158	500,658	+ 410,500
Raw cotton	296,252	385,102	+ 88,850
Total	37,061,247	24,895,446	-12,165,801

Of these items, Persian lambskins are normally exported to England, the United States and Germany. Presumably fruits, nuts, vegetables and live animals are shipped to India, while carpets are exported to India, their ultimate destination being unknown.

IMPORTS

Imports across the Indo-Afghan frontier, valued at Rs.21,482,985, are supplied by 37 countries, but few of these are of importance, as shown by the following comparative table in which supplying countries are listed in order of their importance in 1938-39:—

	1937-38 Rs.	1938-39 Rs.
Japan	6,291,033	5,762,358
India	6,083,711	5,070,332
Germany	1,208,829	3,710,101
Burma	*	2,139,077
United Kingdom	1,445,624	1,357,237
United States	958,393	697,809
Java	*	554,133
Czecho-Slovakia	55,419	495,218
China	539,279	349,826
Belgium	*	158,103
Iran	*	144,262
Italy	*	118,337

* Figures not available.

Imports from Japan consisted mainly of cotton piece-goods; silk and artificial silk piece-goods; woollen manufactures; glassware and china; and tea. India supplied animals; boots and shoes; cement; drugs and chemicals; dyeing material; glass and glassware; hardware and cutlery; leather; machinery; vegetable oils; paper; sugar; tea; textiles of cotton rayon and wool; and tobacco manufactures. Germany furnished machinery and millwork; iron and steel material; hardware and cutlery; instruments, apparatus and appliances; drugs and medicines; and motor lorries. Burma's products are confined entirely to petrol and motor-oils, while the United Kingdom supplied machinery; millwork; hardware and cutlery; paper; apparel and boots and shoes; motor vehicles; drugs and medicines; and tobacco. More than 60 per cent of the imports from the United States comprised motor cars, the balance consisting of machinery; millwork; apparatus, instruments and appliances; drugs and medicines. Among other countries of importance as sources as supply were Java, supplying sugar; Czecho-Slovakia, hardware and glassware; and China, furnishing mainly tea, spices, silk goods and felt boots.

COMMODITY IMPORTS

In the section that follows is given a statistical summary of imports during 1938-39 of certain commodities by countries of origin, with figures for 1937-38 shown within parentheses:—

Apparel.—Total, Rs.167,016 (Rs.159,745): United States, Rs.47,018; India, Rs.42,687; Japan, Rs.41,060; France, Rs.12,557; United Kingdom, Rs.12,473; Germany, Rs.9,431.

Boots and Shoes.—Total, Rs.182,680 (Rs.261,401): India, Rs.170,121; Czecho-Slovakia, Rs.7,388; Japan, Rs.4,185.

Chemicals.—Total, Rs.18,329 (Rs.32,026): India, Rs.3,169; United Kingdom, Rs.6,651; Germany, Rs.3,829; Italy, Rs.3,397.

Drugs, Medicines and Perfumery.—Total, Rs.258,186 (Rs.138,760): Germany, Rs.132,482; United Kingdom, Rs.61,266; India, Rs.37,280; United States, Rs.7,430; Japan, Rs.6,301; France, Rs.3,256.

Dyeing Materials.—Total, Rs.52,512 (Rs.109,646): Germany, Rs.36,622; United Kingdom, Rs.7,907; India, Rs.6,606.

Glass and Glassware.—Total, Rs.88,000 (Rs.70,301): Czecho-Slovakia, Rs.27,279; India, Rs.21,425; Japan, Rs.14,115; Germany, Rs.10,599; Italy, Rs.6,656.

Grain and Pulse.—Total, Rs.29,767 (Rs.77,210): India, Rs.16,135; United States, Rs.13,424.

Steel and Iron Products, including Hardware.—Total, Rs.935,604 (Rs.616,035): Germany, Rs.554,850; Belgium, Rs.147,253; India, Rs.97,084; Poland, Rs.20,331; United Kingdom, Rs.17,195; Hungary, Rs.9,147; Sweden, Rs.4,904; United States, Rs.4,255; France Rs.3,149.

Instruments, Apparatus, Appliances and Parts.—Total, Rs.331,350 (Rs.318,753): Germany, Rs.229,663; United Kingdom, Rs.39,703; United States, Rs.24,918; Czecho-Slovakia, Rs.14,241; Thailand (Siam), Rs.7,516; France, Rs.4,500; Sweden, Rs.4,387.

Leather.—Total, Rs.156,456 (Rs.166,945): India, Rs.150,063; United Kingdom, Rs.5,176.

Machinery and Millwork.—Total, Rs.1,824,637 (Rs.673,300): Germany, Rs.1,268,542; Czecho-Slovakia, Rs.364,749; United Kingdom, Rs.72,211; United States, Rs.63,353; Italy, Rs.35,992; France, Rs.14,354.

Metals and Manufactures.—Total, Rs.112,443 (Rs.282,678): Germany, Rs.95,830; Japan, Rs.6,208; India, Rs.4,322; Straits Settlements, Rs.3,251.

Paper.—Total, Rs.94,547 (Rs.165,745): India, Rs.39,268; Finland, Rs.16,909; United Kingdom, Rs.11,893; Norway, Rs.11,319; Netherlands, Rs.8,777; Germany, Rs.3,064.

Provisions (Canned).—Total, Rs.57,033 (Rs.61,609): India, Rs.19,179; United Kingdom, Rs.17,143; Germany, Rs.10,048; United States, Rs.3,750.

Textiles (Cotton).—Total, Rs.6,707,953 (Rs.7,432,644): Japan, Rs.4,171,848; India, Rs.2,287,066; United Kingdom, Rs.216,461; China, Rs.11,954; Germany Rs.6,630.

Textiles (Silk).—Total, Rs.431,267 (Rs.774,214): Japan, Rs.338,257; India, Rs.44,077; France, Rs.21,261; Germany, Rs.8,213; United Kingdom, Rs.8,108.

Wool Manufactures.—Total, Rs.158,954 (Rs.164,865): United Kingdom, Rs.48,971; Italy, Rs.41,602; Germany, Rs.41,395; Japan, Rs.19,655; Poland, Rs.2,890; France, Rs.2,679.

Motor Cars.—Total, Rs.182,646 (Rs.221,228): United States, Rs.154,424; France Rs.13,589; Czecho-Slovakia, Rs.8,550; United Kingdom, Rs.4,344.

Motor Lorries.—Total, Rs.842,398 (Rs.1,055,148): United Kingdom, Rs.490,228; United States, Rs.244,261; Germany, Rs.107,909.

TARIFF CHANGES AND TRADE REGULATIONS

Ireland

NEW IMPORT QUOTAS

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, by government Orders of August 27, 1940, further quotas and quota periods for importation into Eire have been fixed as follows:—

	New Quota No.	Quota for Previous Six Months No.
Certain pneumatic tires for motor cars	2,000	2,000
Certain pneumatic tires for bicycles	30,000	30,000
Leather boots and shoes	300,000	300,000
Certain rubber boots and shoes	80,000	100,000
Inner tubes for motor car tires	2,000	2,000
Inner tubes for bicycle or tricycle tires	15,000	15,000
Certain heeled rubber shoes	5,000	10,000

The period fixed for each of the above quotas extends from October 1, 1940, to March 31, 1941.

Australia

IMPORT LICENSING OCTOBER-DECEMBER, 1940

With reference to the notice on page 497 of the last issue of the *Commercial Intelligence Journal* (No. 1914: October 5) respecting Australian import licensing restrictions for the 3 months' period, October 1 to December 31, 1940, the Canadian Trade Commissioner in Sydney cables that licences for the importation of the following articles are withheld pending further instructions:—

Fish, fresh, smoked or dried (but not salted), or preserved by cold process; buckles, clasps and slides for hats, shoes and other attire; buttons (except for naval and military uniforms), including button blanks and partly finished buttons; towels (except crash, dowlas, forfar, glass cloth, huckaback, kitchen and tea), cut or uncut; towelling, including terry cloth and terry robing, in the piece (except towelling of a class or kind not made in Australia, as defined in customs by-laws); cotton bath mats; leaf and foil of any shape (except gold leaf); hand-worked rakes and ploughs combined, hay tedders, lucerne bunchers, maize harvesters, maize binders, threshing machines, winnower forks, hand-worked cultivators, hand-worked seed drills, chaffcutter knives; mowers; portable typewriters; weighing machines, except automatic weighing machines, but including computing weighing machines; scales and balances, including computing; chemists' counter scales; spring balances and steel-yards; combined bagging, weighing and sewing machines; brasswork, bronzework and gun-metal work for general engineering and plumbing and other trades; aluminium ware; lamps and lanterns not separately specified in the tariff; unspecified manufactures of metal; unspecified hand tools, wholly or principally of metal; files; bronzing and metal powders; synthetic resins and oils for the manufacture of paints and varnishes; plaster of paris in packages over 14 pounds; porcelainware for electrical purposes; unspecified cements and prepared adhesives, mucilage, liquid glue, belting compounds; unspecified manufactures of wood; fancy goods; toys; surface-coated, marble and foil papers; stationery, not printed; unspecified manufactures of paper; penhandles, fancy pencils, pencil cases; unassembled car chassis; asbestos and unspecified packings; photographic plates, flat films, unspecified sensitized films, papers and cards; lantern slides; crochet, knitting and embroidery cottons put up for household use; sewing and embroidery silks and artificial silks, and silk twists; raw asbestos.

The trade commissioner has also cabled that for the three months' period, October 1 to December 31, special licences are issuable for the importation of sardines up to 50 per cent, and of canned herrings up to 25 per cent of the level of imports of such goods during the base year ended June 30, 1939.

Vacuum cleaners of all descriptions (but not replacement parts) have been placed in licensing category "D" for which, it has been announced, no import licences will be issued.

British Malaya

IMPORT CONTROL CHANGES

Straits Settlements Notifications of July 29 remove newsprint in rolls and old newspapers from the schedule of goods subject to import licence from Canada and other non-sterling countries, and add the following products to this schedule: electric batteries (other than for hand flash lamps) and accumulators; printing ink; cycle tires; and other sorts of stationery other than paper. "Other sorts of printing paper" and "other paper and manufactures thereof" are transferred from the restricted list to the schedule of goods prohibited importation from non-sterling areas, and the following products are added to the schedule: cardboard; packing and wrapping paper (except greaseproof and imitation greaseproof paper); writing paper in large sheets; manuscript and account books; playing cards (except Chinese and Japanese type). Similar changes in the import control measures of the Federated Malay States were made effective by Notifications of July 22, July 30 and August 2, 1940.

Costa Rica

PACKING OF ROLLED OATS

Costa Rican decree No. 17 of September 9, 1940, provides that, beginning November 1, rolled oats may be imported into that country only when packed in double sacks, the inner one to be of strong waxed paper that will preserve the contents from dust or other contamination that may render them unfit for human consumption.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING OCT. 7, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for the principal exchanges for the week ending Monday, October 7, 1940, and for the week ending Monday, September 30, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Sept. 30	Nominal Quotations in Montreal Week ending Oct. 7	Official Bank Rate
Finland	Markka	.0252	\$.0220	\$.0219	4
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0073	.0073	6
Hungary	Pengo	.1749			
	Official		.3227	.3227	4
	Unofficial		.2150	.2150	—
Yugoslavia	Dinar	.0176	.0249	.0249	5
Portugal	Escudo	.0442	.0443	.0442	4-4½
Roumania	Leu	.0060	.....	.....	3½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2641	.2643	3
Switzerland	Franc	.1930	.2545	.2563	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2242	.2249	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.....	.....	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.....	.....	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2572	.2602	—
Brazil	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0537	.0556	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6326	.6326	4
Peru	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4075	.4138	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.5800	—
China (Shanghai)	Dollar	.....	.0608	.0613	—
Hongkong	Dollar	.....	.2643	.2573	—
India	Rupce	.3650	.3359	.3359	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.....	.....	—
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5760	3.5760	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

There was no change in official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds during the week ended October 7. These were quoted at \$4.43-\$4.47 and \$1.10-\$1.11, respectively. At New York sterling free market rates hovered between \$4.03½ and \$4.04, the latter figure being the closing rate for the week and indicating a net loss of 1 cent. In the same interval Canadian dollar rates moved between 84½ cents on October 2 and 86½ cents on the 7th. Compared with the previous week's closing figure of 85½ cents this amounted to a net increase of 1½ cent. Under continued repatriation of Swiss funds, franc rates at Montreal stiffened 18 points to 25-63 cents during the week under review. Coinciding with news of a United States loan of \$20,000,000, the Argentine unofficial peso rose 30 points to 26.02 cents between September 30 and October 7, and Swedish krona quotations advanced 2 points to 26.43 cents during the same period.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

• Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous:—			
Mica, Stove.....	618	Chicago, Illinois, U.S.A....	Purchase.
Tools.....	619	Johannesburg, South Africa.....	Agency.
Gauntlets, Fleece-lined Motor...	620	Johannesburg, South Africa.....	Agency.
Curled Hair, for Upholstery.....	621	Cape Town, South Africa..	Agency.
Glass.....	622	Cape Town, South Africa..	Purchase and Agency.
Awnings and Awning Fabrics....	623	Cape Town, South Africa..	Agency.
Furniture Fabrics.....	624	Cape Town, South Africa..	Agency.
Upholstery Furnishings.....	625	Cape Town, South Africa..	Agency.
Upholstery Leathers.....	626	Cape Town, South Africa..	Agency.
Outboard Motors.....	627	Durban, South Africa....	Agency.
Tubing, Bedstead and Brass-covered.....	628	Cape Town, South Africa..	Agency.
Hooks and Eyes.....	629	Cape Town, South Africa..	Agency.
Cabinetmakers' Hardware.....	630	Cape Town, South Africa..	Agency.
Furniture Hardware.....	631	Cape Town, South Africa..	Agency.
Wire for Cushion Springs and Mattresses.....	632	Cape Town, South Africa..	Agency.
Glue.....	633	Cape Town, South Africa..	Agency.
Veneers.....	634	Cape Town, South Africa..	Agency.

COMMERCIAL INTELLIGENCE SERVICE

H. W. CHENEY, *Acting Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

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THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE

L. D. WILGROSS, DEPUTY MINISTER



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Vol. LXIII

Ottawa, October 19, 1940

No. 1916

UNITED STATES MARKET FOR UNDRESSED FURS

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, October 5, 1940.—The import market for undressed furs has followed general economic and industrial conditions in the United States over a period of many years. This is a normal situation considering the fact that to a great extent the fur trade is in the luxury class, and in times of depression furs are one of the first commodities to be most affected.

The outbreak of the present war has resulted in great dislocation of the import fur business, and at the present time there are in New York large quantities of what may be described as "refugee furs," in the sense that they have been shipped to the United States from Europe and other countries during the past eight months to escape seizure by Germany and Italy. A proportion of the furs from London and most of the furs from Leningrad would have come to New York in any event, but this year they have been shipped earlier than usual and have swollen the United States import figures. It should be emphasized that most of these furs have been purchased by United States importers and cannot be considered as having been dumped on this market.

The domestic fur industry during the past decade has developed and maintained an annual wholesale business amounting to approximately \$150,-000,000 per annum, annual imports during the past year being valued at about \$50,000,000. Each year the domestic market consumes about two-thirds of the annual domestic production, estimated to average about \$45,000,000 in value to the trapper. The remainder of the annual output is exported to many countries.

The following comparative figures of imports from the principal countries of origin indicate the import position which Soviet Russia, the United Kingdom, Canada and China play in the United States fur trade, and also show the effect of the war on imports from various sources of supply. Ports of shipment have likewise been altered by the war, as in the case of Chinese imports which are now being shipped through the Netherlands Indies.

United States Imports of Furs

Undressed Furs—	1937	1938	1939
Russia	\$11,597,341	\$12,139,220	\$12,327,418
Other Asiatic countries	1,373,318	3,793,267	6,667,134
Turkey	464,404	222,355	241,313
Canada	5,767,161	4,945,378	6,432,931
Netherlands Indies	1,101	.....	4,378,931
China	9,716,320	3,476,397	6,037
Union of South Africa	1,208,689	1,598,868	2,813,436
France	5,206,117	1,447,021	2,796,857
Australia	6,913,561	1,799,969	2,360,150
United Kingdom	15,933,334	2,367,230	2,135,936
Kwantung	17,243	.....	1,272,292
Japan	3,136,981	932,912	63,861
Argentina	2,370,492	1,286,135	1,054,847

United States Imports of Furs—Concluded

Dressed Furs—	1937	1938	1939
Belgium	\$ 2,923,424	\$ 1,313,506	\$ 897,745
New Zealand	1,873,040	988,472	747,969
British Malaya . . . . .	.....	.....	570,432
British India	1,830,185	1,007,746	4,398
Poland and Danzig	754,406	347,930	556,442
Brazil	318,096	229,135	186,218
Italy	305,908	497,410	168,935
Czecho-Slovakia	435,024	244,137	131,851
Chile	663,522	129,246	111,304
Iran	415,771	396,175	.....
Iraq	385,477	129,712	.....
Total	\$78,541,653	\$42,035,144	\$49,758,612

The figure for imports from Canada would be greater if an undetermined quantity of Canadian furs reshipped from the London auction market and classified as from the United Kingdom were included in the Canadian total.

NOTES ON IMPORTS OF PRINCIPAL FURS

Following are notes on those furs which Canada chiefly ships to the United States market. It will be noted Canada is the principal source of supply of United States imports of badger, beaver, marten, fox, muskrat, mink, otter, raccoon, skunk and lynx.

SILVER AND BLACK FOX

The following table indicates that Canada is the chief source of supply for the United States of silver and black fox, with Norway in second position:—

United States Imports of Silver and Black Fox, Dressed and Undressed

	Russia	United Kingdom	Canada	Norway	Finland	Total
1939	\$12,994	\$178,151	\$1,466,870	\$770,280	\$17,685	\$2,468,164
1938 . . . . .	.....	86,874	224,099	141,885	.....	463,264
1937 . . . . .	.....	498,817	309,822	270,416	.....	1,087,854

Silver fox furs have been of first importance in the fur trade during the current year, being imported mainly for trimming purposes, although a considerable number of capes was manufactured. There has been a considerable variation in price, but importers state that practically every season, irrespective of conditions, the supply of silver foxes is absorbed and there is no carry-over. It is presumed that this is due to the attractive appearance of the fur and to the fact that it can be used as trimming on practically all garments and on all classes and colours of materials.

Owing to Canadian, American and Norwegian ranchers consistently culling and attempting to raise as large a fox as possible, they have given to the public a high standard article that can be sold at a very reasonable price, considering the amount of yardage that is in a fox pelt.

The quota of Canadian and European consignments was practically absorbed this year as early as May, and the quantity of fox furs available on the market at the present time is less than last season. While there is not much trading going on now, this is because speculators who purchased earlier in the year are holding in anticipation of higher prices, and therefore do not offer their goods or accept profitable and reasonable bids. Present indications are that before October 15 a definite shortage of silver foxes will be evident, and this naturally will create a demand for a certain amount of the coming season's production for immediate use this year. It is probable, therefore, that the demand for the coming year will be just as great, if not greater.

PLATINUM FOX

In two sales conducted in New York in which approximately 800 Norwegian-type skins were offered, keen interest was displayed by the trade, due to the fact that these furs are new to the market, are most attractive, and can be manufactured into capes and scarves for an exclusive clientele. One importer stated that in his travels through Canada he noted various types of platinum and ring-neck foxes which he considered to be of as good quality as any that were offered in the two special sales held in New York.

FOX, OTHER THAN SILVER OR BLACK

The following table shows imports from the chief countries of supply of fox skins other than silver or black:—

United States Imports of Fox Furs Other Than Silver and Black

	Russia	United Kingdom	Canada	China	Argentina	Australia	Total
1939	\$1,956,159	\$ 78,161	\$704,562	\$ 67,638	\$115,570	\$111,289	\$3,312,782
1938	1,556,041	247,533	641,812	190,681	136,874	105,254	3,104,640
1937	1,526,202	1,741,696	861,727	363,729	414,725	112,097	5,459,338

Cross Fox.—This type has been rather spotty, both this season and last, but there has always been a demand for the pale, well marked silvery type. This is the type of chief interest to a rancher, as the outlook for the better quality of this type is good and the returns are a little above the average for silver fox.

Red Fox.—Few red foxes are raised in captivity, as the prices realized for pelts do not warrant their production. During last year trade in red fox was rather quiet, although there has been an improvement in the demand this season. A considerable number of wild foxes is trapped in Canada, and during this year the number absorbed by the trade has been much larger than in the previous season, owing to the fact that the dyers have developed a few very desirable shades.

Blue Fox.—There was a strong demand for blue fox in the early part of the current season, especially for the pale silvery and the freakish types. The best sellers have been the Greenlands, Norwegians, Swedish and Finnish types. Alaskas, which are larger and not quite as silky as those mentioned above, have met with fair response but only in the paler, silvery types. Darker ones have been selling considerably lower, due to the fact that the European market is practically closed; besides, they have never sold quite as freely in this country as in Europe. Europeans seem to favour blue fox much more than purchasers on this continent. At the present time there is a lull in blue fox, as fair quantities are available on account of buyers having anticipated a much better spring business than they realized. This is strictly a spring and fall article, and some improvement is expected this fall. The outlook at present depends upon conditions and the European situation.

White Fox.—Canada exports the larger proportion of white fox, which is meeting with a good demand. While it is selling on a fairly low basis, this is accounted for by the fact that large quantities are shipped from Russia and, with the European market practically out of the picture, the total production has to be absorbed on this continent. The absorption of large quantities of Canadian production is due to the fact that the leather of these pelts is strong and can stand practically all types of dye, more so than the Russian product which at times is rather brittle and tears. The various dyes being used on white fox make it an attractive article, and a fair demand is expected during the coming season.

The demand for beaver during the current and past season has been heavy, while the quantities available have not been too large at any time. It is expected that a strong demand will continue, although there may be some adjustment in price due to the fact that European countries, which purchased a large proportion of this fur, are no longer in the market.

The popularity of this fur in the United States has been brought about by careful study and successful methods of tanning the pelt. During the past season or two a featherweight beaver has been placed on the market. In addition successful methods have been developed of plucking the fur and also of shearing it and imparting a slight blend which gives the garments an attractive appearance. Increased sales have offset to some extent the loss of the European market.

MUSKRAT

United States imports of muskrat are principally from Canada, the 1939 import value being \$591,479 as compared with \$295,779 in 1938 and \$281,244 in 1937. Muskrat has been regarded with favour throughout this and the past season, although there has been some slackening in the demand during the past few months due to the loss of the British and French markets. The popularity of muskrat is due to the fact that the Hudson seal business consumes a considerable proportion, although not all muskrats are suitable for Hudson seal and, therefore, a large proportion of them cannot be used. However, the dyers have been successful in processing muskrats which are not suitable for Hudson seal purposes. These dyed goods have been made into popular-priced garments and have sold extensively. It is considered that there will be a good demand for muskrat in the United States, although there will probably be some readjustment in price due to the loss of European markets, especially for the smaller sizes which are usually consumed by them.

LYNX

The following table shows the United States imports of lynx for the years 1937, 1938 and 1939:—

United States Imports of Lynx

	Russia	United Kingdom	Canada	China	Total
1939	\$136,028	\$ 2,651	\$286,580	\$ 33,683	\$474,481
1938	93,884	34,657	401,954	34,593	573,124
1937	72,728	236,932	538,533	79,284	930,981

From the above table it will be noted that Canada is the chief source of supply for lynx, while Russia is also a large supplier. However, it is found that the Russian lynx does not compare favourably with the Canadian and Alaskan products. During the past few years there has been a strong demand for this fur, and the quantities available on the market are very light. The trade expects this demand to continue in the future.

OTTER

From the following table it will be noted that Canada, Brazil and Argentina are the principal sources of supply for United States imports of otter:—

United States Imports of Otter

	Canada	Argentina	Brazil	United Kingdom	Total
1939	\$55,778	\$18,292	\$ 44,857	\$1,986	\$148,564
1938	39,787	57,881	81,145	6,149	210,403
1937	77,049	68,960	166,054	3,365	361,426

Prior to the outbreak of the present war, the chief markets for otter were in Europe. In recent years United States dressers and dyers have been experi-

menting with the pelts, and, by plucking and shearing the otter they have been able to produce an article that is not too heavy for manufacturing into garments. They have found that the South American otter, which are very flat and thin in leather, have made considerable inroads into this business. Despite the fact that there are not large quantities of otter pelts available at present, it is difficult to make any forecast as to the future market.

SKUNK

Although the United States is in a position to meet the major part of its requirements of skunk pelts, there are some imports, chiefly from Canada. Receipts from the Dominion in 1939 were valued at \$181,846 as compared with \$115,792 in 1938 and \$158,683 in 1937.

The demand for skunk capes during the past few seasons has been good. Earlier this year a reaction set in, but it was followed by a brisk demand, with the result that quantities available at present are reported to be light.

RACCOON

The following table shows the United States imports of raccoon for the years 1937, 1938 and 1939:—

United States Imports of Raccoon

	Russia	United Kingdom	Canada	China*	Total
1939	\$16,732	.....	\$32,403	\$ 10,539	\$ 63,270
1938	5,562	384	30,558	16,144	58,032
1937	27,171	14,639	57,598	170,574	329,663

* Although China is classified as a supplier of raccoon, the United States fur trade states that these pelts are not raccoon and should not be classified as such.

The United States is the largest source of supply of raccoon, and domestic production is used principally for the manufacture of garments. The Canadian raccoon, which is heavy in underfur and fairly large in size, is used chiefly for trimming purposes.

During the past few years the demand for raccoon has been light, resulting in a decline in prices. This fur has now again found favour, and popular-priced garments have been manufactured to such an extent that supplies available are very low. Prospects are considered to be very favourable, as the present demand is expected to continue.

WOLF

From the following table it will be noted that the United States imports of wolf skins are chiefly from Canada, Russia and China:—

United States Imports of Wolf

	Russia	United Kingdom	Canada	China	Total
1939	\$ 21,108	.....	\$158,826	\$ 7,100	\$190,308
1938	116,580	\$ 8,609	217,773	124,291	480,650
1937	271,831	175,540	402,220	162,806	1,049,909

While large numbers of wolves are trapped in the United States, some of the finest types are caught in the northwestern sections of Canada, particularly in Alberta.

There has been a large carryover of these skins from last season, consisting mainly of pelts from the southwestern and southern sections of the United States. Although the demand for Canadian pelts has been spotty during the year, large quantities have been sold, and it is expected that the demand will be strong during the fall season. The trade is of the opinion that there will be little or no carryover of Canadian wolf and that the market will be fairly stable during the coming season.

MARKET FOR SEED POTATOES IN CALIFORNIA

B. C. BUTLER, CANADIAN TRADE COMMISSIONER

Los Angeles, September 30, 1940.—The total area planted with potatoes in the State of California, according to the United States Department of Agriculture reports for August, 1940, is 78,000 acres, of which 36,500 are early and 41,500 acres are late potatoes. The acreage shows a slight increase over the 1939 planting, which was 74,000 acres.

The 10-year average yield in California amounts to 230 bushels per acre in the case of the early and 233 bushels for late potatoes. The yield for this year is estimated at 300 and 275 bushels per acre for early and late crops, respectively, and the total yield is expected to be 22,360,000 bushels, of which almost 11 million were early (already harvested) and 11,360,000 are late potatoes.

The crop is produced throughout the year, the peak of production being reached from May to July. While the greater percentage of the crop is consumed within California, there are large shipments to other states, especially of the early crop. These out-of-state shipments are made to all parts of the United States and Canada, as far east as New York, and they totalled some 20,000 carloads (about 10,000,000 bushels) in 1939.

While the above figures indicate the importance of potato cultivation in California, to see them in their true perspective the reader should bear in mind that California potato production constitutes only about 5 per cent of the United States total crop.

CHARACTERISTICS OF GROWING AREAS

MAJOR DISTRICTS

Delta District.—The oldest and one of the largest growing areas is the delta of the San Joaquin River east of San Francisco. This area is principally reclaimed peat lands on islands in the river. The soil is extremely fertile and, with the addition of fertilizer, adequate irrigation and close planting high yields are obtained. In one test over 600 sacks per acre of No. 1 potatoes were produced in this area. White Rose is the most extensively planted variety. Some seed is produced as a fall crop, but most of the seed stock comes from Minnesota or Oregon.

Kern County.—The areas surrounding the towns of Shafter, Wasco and Edison near Bakersfield in Southern California have become the largest potato-growing district in the State. Sandy soil and a hot dry climate make irrigation essential and an important item in production costs. Temperatures over 100 degrees in the shade are common in the summer months. White Rose is the main variety and planting takes place from January to March, harvesting from May to July. Later plantings suffer from heat and diseases. Despite high incidence of disease in this area the yield is good. The seed stock is practically all imported from northwestern states.

Tulelake.—This district, near the border of Oregon, has become another producing area in recent years, although the volume cannot be compared with the first two districts. The growing season is comparatively short but the yields are high and the quality good. White Rose, Netted Gem and Burbank are grown.

Riverside and San Bernardino Counties, southeast of Los Angeles.—These counties produce mainly an early crop of White Rose, although some growers plant a fall crop in July.

Los Angeles County.—Growers in this county also produce White Rose and consumption is largely local.

MINOR DISTRICTS

Smaller producing areas are noted hereunder:—

San Diego County.—Main varieties are British Queen and White Rose; planting in November, harvesting from February to April.

Colma District near San Francisco.—Main varieties are Garnet Chili and Bliss Triumph; planting from November to February; harvesting from March 15 to July.

Marin-Sonoma Counties, north of San Francisco.—Main variety is British Queen which is well adapted to this hilly coastal district and is grown without irrigation.

Santa Maria District near Santa Barbara.—Main varieties are White Rose, Netted Gem and Bliss Triumph.

MAIN VARIETIES GROWN

From the foregoing it will be noted that White Rose is the main variety grown in California. This variety seems to be best suited to the hot dry climate of most of the growing areas, adapted to irrigation, produces high yields and is reasonably resistant to disease. Burbank, once the standard for the Delta District but now replaced by White Rose, is still grown in some of the coastal and interior districts of northern California. The Netted Gem seems to be quite unsuited to most of the areas. In general, it does not thrive in the hot interior districts, although it does fairly well in the cooler Tulalake and Santa Maria districts and in the higher elevations of the Sierra foothills. Garnet Chili is grown mainly near San Francisco for the early market. British Queen is similarly grown in San Diego County as a winter crop for the early market. Bliss Triumph is grown to some extent but usually yields less than White Rose. Katahdin, a relatively new variety, has not been tried to any great extent. The College of Agriculture at Berkeley, California, makes the statement that California growers should try this variety more extensively.

GROWING METHODS

With the exception of the district north of San Francisco (Marin-Sonoma Counties) all potatoes in California are grown under some form of irrigation. The methods range from culture under winter rainfall to irrigation on alternate days, an almost continuous sub-irrigation and, in one district, overhead irrigation.

During the past fifteen years increasing attention has been given to the use of artificial fertilizers, for in the majority of the potato-growing areas crop rotation is practised to only a limited extent. The type of fertilizers used varies with the district, but, generally speaking, some such mixture as 10-10-10 is the most favoured. The amounts used vary from 200 pounds to as much as 1,200 pounds per acre, with the average about 700 pounds.

The individual plantings are generally quite large, ranging from 100 to as high as 2,000 acres. Planting, cultivating and harvesting are, therefore, done almost entirely with machines.

The date of planting depends upon the district, the most favourable season for marketing the crop and the risk of frost. It varies from November to July. Generally speaking, the earlier the planting the more satisfactory the results.

DISEASES

The Federal and State Governments provide effective services for the control of diseases which are, of course, present in practically all potato crops grown in California. The most serious are bacterial wilt, rhizoctonia and mosaic. The incidence of mosaic is quite high, but it is not considered when certifying

crops for seed purposes. The disease which gives the most concern is bacterial wilt and the growers here would be prepared to buy seed that is certified free of this one disease.

Some growers have obtained satisfactory results in combating certain diseases by disinfecting the seed before planting.

SEED REQUIREMENTS

Although some of the seed used in California is grown in the State, it has been found that seed from northern states is more satisfactory. Minnesota, Wisconsin, Oregon, Idaho, Montana and Washington are able to supply certified seed or uncertified seed of good quality and California imports large quantities from these sources. Some idea of the volume may be obtained from the purchases of the Shafter area alone. Growers in this one area brought in 1,300 carloads (about 20,000 tons) of seed for 1940 planting. Incidentally, this was not all certified seed, as it is understood that over half was found to be affected by bacterial wilt. It is estimated that the average seed planting runs about 12 to 18 sacks of 100 pounds per acre. On this basis, the total potential seed requirements of California would be approximately 50,000 tons annually.

SEED BUYING SEASON

Since planting takes place from November to July, seed is purchased during several months. Canadian suppliers should bear in mind, however, that growers here insist upon making arrangements for their seed requirements well in advance. For example, orders for seed for December planting are usually booked between August and October.

OPPORTUNITY FOR CANADIAN SEED

There should be a splendid opening for Canadian certified seed in this State and adjoining states, as it seems to be generally agreed that the cooler the climate in which the seed is grown, the hardier and more disease-resistant it is. Growers here have already manifest a keen interest in Canadian seed, especially if it is certified to be free of bacterial wilt. They are even prepared to tolerate a degree of mild mosaic disease in the seed stock. In this connection, however, the best authorities agree that it would be better in the long run to build up a sale for Canadian seed potatoes in this market on the basis of seed which passes the Canadian standards for full certification, as the reputation that would then be established would be of lasting value. It is possible to obtain uncertified seed of good quality within the United States. Canadian shippers should, therefore, endeavour to develop the market with a product that is not so easily obtained domestically.

DUTY

The duty on seed potatoes, certified or uncertified, entering the United States is $37\frac{1}{2}$ cents per hundred pounds.

SUMMARY

Because of its relatively satisfactory resistance to the commoner diseases and its high yield, White Rose is the variety of potato preferred in California. Bliss Triumph and Netted Gem are grown to a limited extent and there might be an outlet for these varieties in the State of Nevada.

Some interest has been displayed in Katahdin and Sutton's Reliance from Canada and certain California growers have expressed a willingness to test these varieties. Should these prove more resistant to disease than the favourite White Rose and productive of as high yields, it is conceivable that one or both of these varieties might replace the White Rose as the latter replaced the Burbank some years ago.

Freight costs will, it is probable, render impossible shipments of seed on a commercial scale from Eastern Canada. However, the rail rate from Vancouver to San Francisco is \$7 per ton; to Los Angeles \$9 per ton. It is believed, therefore, that at the prices California growers are prepared to pay for certified seed that will give satisfactory results, the seed potato growers of British Columbia have a splendid opportunity to develop a profitable and permanent business.

AUSTRALIAN WHEAT AND FLOUR

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, September 16, 1940.—The continued dry weather is causing anxiety with regard to the coming harvest in each of the Australian States. Even if good rains fall during the latter part of September and subsequent conditions are favourable, the yield will be less than half that of last season, which was 210,160,000 bushels.

Stabilization of the wheat industry in Australia is being urged by wheat growers; but to date the Government's attitude, as outlined in the policy speech of the Minister for Commerce, Mr. A. Cameron, is that it may be unsound for the farmer to rely on wheat production alone, in the expectation that the Commonwealth Government would accept unlimited financial liability in respect of an industry the output of which it could not control. The Commonwealth Government has no power under the Commonwealth Constitution to make enactments affecting the production of wheat, and if the Commonwealth Government were to be expected to afford financial guarantees to the wheat industry, it would have to be given control over production, or at least have satisfactory guarantees as to the form of control over production which the States would undertake to exercise. The Commonwealth Government during the past eight years has subsidized the Australian industry by about £A15,000,000; but the rejection by some States of the stabilization plan which the Federal Government proposed just before war began, places the industry in the position of enjoying neither guarantee of stability of price nor of output. Diversification of farming was put forward by the Minister as a solution to the question of excess production, but where it was difficult for the farmer to turn to other forms of production, he should have access to the grain for use as a raw material for fodder or other purposes.

In the meantime, the adverse conditions in the wheat belts, both economic and climatic, have stimulated a drift of wheat growers and their families to the cities, where the demand for labour for munitions production and other industries provides opportunities for their absorption into the industrial sphere.

ADVANCES AND EXPORT PRICES

The payment of a third advance of 1½d. a bushel on 1938-39 wheat acquired by the Commonwealth in No. 1 Pool was recently made. This payment brought the total advance to growers to 2s. 9½d. for silo bulk wheat, and compares with payments to date of 2s. 8d. per bushel on 1939-40 wheat acquired in No. 2 Pool. The approximate average export price for wheat during the first eight months of the 1939-40 season was 3s. 9½d. per bushel. From this figure must be deducted freight and handling charges amounting to approximately 8d. per bushel.

Approximate export prices remained without change at 48 pence per bushel during the month of July. Fluctuations in price for that month during the years 1935-40 were as follows:—1935, 34.42d. per bushel; 1936, 46.63d.; 1937, 65.21d.; 1938, 42.02d.; 1939, 26.15d.; 1940, 48d. per bushel.

Mr. Palmer cabled on October 16 as follows:—

Adverse seasonal conditions persist throughout the wheat belts and production of wheat is now estimated at 100,000,000 bushels. The unsold surplus of the 1939-40 crop is estimated to be between 40 and 50 million bushels. A cash sale of 1,900,000 bushels of wheat to Greece is reported. The Wheat Board's price for truck lots is 4s. 3½d. (equivalent 75 cents Canadian) per bushel or 4s. 2½d. (equivalent 74 cents Canadian) for a minimum of 1,000 bushels Melbourne basis. The price to the miller is 3s. 11½d. (equivalent 69 cents Canadian) per bushel in bulk.

The Commonwealth Government is advancing £A950,000 for drought relief and the plight of the wheat farmer is the subject of a conference called by the Minister of Commerce for October 25.

The arrival of 600,000 bushels Australian flour at Tientsin is reported but Eastern purchases are handicapped by the necessity for buyers to provide tonnage. No change in the export quotations for flour from those given in the last cable.

ARGENTINA'S EXPORTS OF MEATS AND OTHER ANIMAL PRODUCTS DURING THE FIRST YEAR OF WAR

J. C. DEPOCAS, ASSISTANT TRADE COMMISSIONER

Buenos Aires, September 23, 1940.—During the first twelve months of hostilities in Europe Argentina exported 1,475,774,672 pounds of meats as compared with 1,473,750,850 pounds in the previous twelve months. While the volume of meat exports showed a very small increase, the aggregate value rose from \$106,894,678 to \$118,899,729 Canadian or by 11·2 per cent.

Exports of hides decreased in quantity from 372,573,310 pounds in the 1938-39 period to 331,588,974 pounds or by 11 per cent, and wool exports from 336,232,935 pounds to 253,319,500 pounds or by 25 per cent.

DESTINATION OF EXPORTS

The following table shows in thousands of pounds the exports of principal animal products from Argentina to the United Kingdom, Continental Europe and the United States, and the total exports of these products, during the first six months of 1940 and 1939:—

Argentine Exports of Animal Products

	United Kingdom		Continental Europe		United States		Total	
	Jan.-June 1940	1939	Jan.-June 1940	1939	Jan.-June 1940	1939	Jan.-June 1940	1939
	Thousands of Pounds							
Beef, chilled*	328,760	385,941	32,002	20	46	29	360,818	385,990
Beef, frozen	22,928	14,793	144,844	105,170	152	282	169,761	125,836
Offals, frozen	36,327	29,568	1,870	2,103	7	42	38,329	31,850
Meat meals	750	5,961	6,448	2,692	1,548	1,759	8,847	10,408
Mutton, frozen	96,438	55,880	3,990	2,518	46	150	100,836	59,231
Meats, tinned	52,176	78,534	4,502	2,105	12,648	13,949	74,619	100,128
Cattle hides, salt	50,840	29,173	52,732	76,376	40,236	45,607	147,774	156,101
Cattle hides, dry	3,499	2,866	11,060	6,951	2,097	2,191	16,848	12,317
Wool, greasy	12,804	59,433	58,250	97,741	51,383	24,198	131,480	183,586
Wool, washed	2,549	3,479	19,539	10,531	6,422	3,937	30,254	19,039
Wool, clean	8,576	7,061	373	340	3,673	1,841	13,155	9,255

	United Kingdom		Continental Europe		United States		Total	
	Jan.-June 1940	1939	Jan.-June 1940	1939	Jan.-June 1940	1939	Jan.-June 1940	1939
	Thousands of Pounds							
Casein	4,220	4,416	2,784	10,999	11,184	311	21,596	17,767
Butter.	10,432	4,403	2,059	2,269	212	11	13,942	7,859
Cheese	212	110	152	388	1,724	952	3,038	2,313
Bones	25,225	16,854	1,429	14,524	49,383	32,644	80,177	67,844
Stearine	3,426	3,704	1,750	1,001	....	....	4,923	4,866
Lard and tallow	25,337	35,071	43,525	53,653	408	....	80,684	91,211

* Chilled quality beef has been shipped frozen since the outbreak of the war.

The percentages of the various Argentine products taken by Continental Europe during the first half of 1940, with the corresponding figure for 1939 within parentheses, were: chilled beef, 9 (0); frozen beef, 85 (84); frozen mutton, 4 (4); tinned meats, 6 (2); hides, 39 (50); wool, 45 (51); casein, 13 (62); lard and tallow, 53 (59). The exports of chilled and frozen beef to the United States cover ship's stores.

MONTHLY EXPORTS OF ANIMAL PRODUCTS

The monthly volume of exports of meats and of wool, hides and butter since the outbreak of the war, and the average monthly exports from 1935 to 1939, are shown in the following table:—

Monthly Exports of Argentine Animal Products

	Chilled Beef	Frozen Beef	Frozen Mutton	Tinned Beef	Hides	Wool	Butter
Average—	Thousands of Pounds						
1935	64,031	5,631	9,164	12,331	*	20,888	1,245
1936	65,674	7,284	9,192	13,321	*	21,746	1,886
1937	64,205	16,923	9,491	14,016	*	17,809	1,613
1938	62,920	18,876	8,750	13,644	*	23,759	1,983
1939	64,518	20,265	9,865	15,162	27,107	22,544	1,646
1939—							
Sept.	57,766	19,214	9,441	27,626	25,666	5,453	1,204
Oct.	80,147	17,144	10,959	9,148	25,834	10,564	2,106
Nov.	61,433	13,415	13,892	3,896	20,761	13,100	3,962
Dec.	58,483	29,047	12,893	8,282	30,717	29,942	2,496
1940—							
Jan.	78,616	44,484	19,883	7,601	30,591	31,856	5,211
Feb.	64,169	31,352	15,341	7,035	31,475	25,135	2,583
Mar.	53,788	33,375	14,508	8,300	26,993	24,456	798
Apr.	59,716	25,071	16,014	7,725	21,548	24,015	1,052
May.	66,261	25,335	19,758	7,053	25,419	13,918	355
June.	38,089	10,322	9,151	36,114	28,596	11,971	3,944
July.	67,368	807	7,921	32,251	25,576	5,310	4,169
Aug.	47,560	9,220	5,829	34,821	13,124	7,412	877
Average—							
Sept., 1939-							
Aug., 1940 ..	61,116	21,565	12,966	15,821	25,526	16,927	2,396

* No figures available.

The United Kingdom is now almost the sole purchaser of Argentine meats. She is actually buying all Argentina's chilled and frozen beef and frozen mutton. The tendency in recent months has been for shipments of corned beef to increase at the expense of frozen beef. The United States is the other important purchaser of corned beef. Chilled beef is classified as such for purposes of comparison, but it has actually been exported frozen since the beginning of the war.

EXPORT PRICES

Export prices for Argentine animal products rose sharply after the first month of the war, but have declined since May of this year. Producers, however, are still paid the prices that were fixed last October.

The following table shows the trend in average monthly prices since September, 1939, as compared with the average monthly prices since 1935; all prices being in Canadian currency and for quantities of 100 pounds:—

Average Monthly Prices for Argentine Animal Products

Average—	Chilled Beef Cents	Frozen Beef Cents	Frozen Mutton Cents	Hides Cents	Wool Cents	Butter Cents
1935	6.86	3.61	9.37	*	11.86	15.98
1936	7.04	3.50	10.16	*	15.70	16.11
1937	7.23	4.62	10.37	*	20.81	15.82
1938	7.23	4.81	10.54	*	14.09	18.03
1939	7.13	5.08	9.53	9.95	14.39	19.05
1939—						
Sept.	6.91	4.60	8.35	9.95	14.79	17.15
Oct.	7.74	6.61	10.71	12.71	18.15	20.87
Nov.	7.86	6.56	10.86	11.98	18.01	20.79
Dec.	7.89	6.70	10.99	12.16	18.73	17.82
1940—						
Jan.	8.02	6.64	10.99	13.05	19.17	17.82
Feb.	8.03	6.58	10.99	13.02	19.96	17.82
Mar.	8.11	6.61	9.94	13.31	20.00	17.82
Apr.	8.15	6.62	9.71	13.02	19.90	17.75
May	7.63	6.12	8.69	12.42	19.60	16.47
June	7.60	6.22	9.12	11.29	19.75	16.47
July	7.57	5.98	9.77	9.47	16.00	17.90
Aug.	7.53	6.27	9.77	8.35	14.79	19.30

* No figures available.

TRADE COMMISSIONERS ON TOUR

Mr. Paul Sykes, Canadian Trade Commissioner at Bombay, India (whose territory includes Burma and Ceylon), and Mr. V. E. Duclos, Canadian Trade Commissioner at Shanghai, China (whose territory includes Central China and North China), are on tour in the Dominion in the interest of Canadian trade with their territories.

Their itineraries are as follows:—

Mr. Sykes

Chatham	Oct. 22	Black's Harbour and	
Moncton	Oct. 23	district	Oct. 29
Hantsport, Middleton and		Edmundston	Oct. 30
Bridgetown	Oct. 24	Quebec and district. . . .	Oct. 31
Halifax	Oct. 25 and 26	Sherbrooke and district ..	Nov. 1
Saint John	Oct. 28	Granby and district	Nov. 2
		Montreal and district. . . .	Nov. 4 to 20

Mr. Duclos

London	Oct. 21	Ottawa and district. . . .	Oct. 24 to 26
Walkerville and Windsor.	Oct. 22		

Canadian firms who wish to be brought in touch with the Trade Commissioners should communicate for Montreal with the Montreal Board of Trade, and for the other centres, with the respective Board of Trade or Chamber of Commerce.

POINTS FOR EXPORTERS TO ARGENTINA: A CORRECTION

With reference to the report entitled "Points for Exporters to Argentina," by Mr. J. A. Strong, Canadian Trade Commissioner at Buenos Aires, which was published in *Commercial Intelligence Journal* No. 1914, October 5, 1940, it is erroneously stated under the heading "Shipping Facilities" (page 484), that there are no direct shipping services in operation between Eastern Canadian ports and Buenos Aires.

The Wilhelmsen Line operates a regular service from Montreal and other St. Lawrence River ports to Buenos Aires and other main ports on the east coast of South America. Sailing dates and related information may be obtained on application to the Montreal Shipping Company Limited, Coristine Building, Montreal.

POINTS FOR EXPORTERS TO THE DOMINICAN REPUBLIC

MAURICE BÉLANGER, ACTING TRADE COMMISSIONER

Havana, September 5, 1940.—The island of Santo Domingo, the second largest of the West Indian islands, lies between Cuba, the largest island, and Puerto Rico, a possession of the United States. Its total area is 28,000 square miles, or rather less than that of Ireland. It is located between 68° 30' and 74° 30' west longitude and between 17° 40' and 20° north latitude. The island comprises two distinct countries, the Dominican Republic and the Republic of Haiti. This report is concerned with the Dominican Republic only.¹

AREA AND TOPOGRAPHY

The Dominican Republic occupies the eastern part of the island of Santo Domingo, and its sovereignty extends over almost two-thirds of the total area of the island. The area of the Republic is 19,332 square miles or almost equal to that of Nova Scotia (21,000 square miles). The coast has an irregular outline with many bays and coves. The country is mountainous, especially the wider western portion where there are three separate mountain ranges. The main range, known as the Great Central Cordillera, cuts the country diagonally from east to west. Trujillo Peak, the highest mountain in the Caribbean, is over 10,000 feet high, and there are numerous others exceeding 7,000 feet. The mountains are separated by fertile valleys which range in altitude from sea-level to 3,000 feet. The most productive regions are the coastal plains and the great La Vega Real valley in the central region. The two largest rivers, the Yaque del Norte and the Yuna, run through this valley, one from east to west and the other from west to east.

CLIMATE

The climate of the Dominican Republic is sub-tropical but is tempered by trade winds, and the temperature seldom exceeds 90 degrees. The coastal regions are slightly cooler during the day but warmer at night. In the interior the temperature varies considerably with the altitude.

In the southern part of the country the seasons are well defined, the dry season extending from December to April, with abundant rains during the rest of the year. In the northern part there is no season of heavy rains, and precipitation is more or less normal throughout the year.

POPULATION

The total population of the Dominican Republic at the last national census (1935) was 1,479,417, of which 73,070 were foreigners of various nationalities, mostly Haitian. The urban population is relatively small and amounts to only 249,904 as compared to a rural population of 1,156,443. The population is reported to be growing and was estimated at 1,581,549 at the end of 1937, an increase of over 100,000 in a period of two years. The native population is 13 per cent white, 70 per cent part white and the remainder Negro. The foreign population is over 80 per cent Negro, there being about 8,000 whites and 4,000 part white out of a total foreign population of 73,000. About 26 per cent of the total adult population can read and write.

The population is not evenly distributed and, while the density is 144 per square kilometre in the District of Santo Domingo, located on the south coast, it is less than 20 per square kilometre in four of the other twelve provinces.

¹ A report on the Republic of Haiti may be obtained on application to the Department of Trade and Commerce, Ottawa.

LANGUAGE

Spanish is the only language generally spoken in the Dominican Republic, but most of the leading import firms can correspond in English. Existing regulations provide that consular documents must be made out in Spanish, but the consul issuing or certifying these documents may authorize the use of the English language, and Dominican consular officials will usually agree to this.

SYSTEM OF GOVERNMENT

The constitution of the Dominican Republic provides that the Government shall be civil, republican, democratic and representative. Legislative powers are vested in the National Congress, composed of the Senate (16 members) and the House of Representatives (51 members). The executive power rests with the President, who is elected by general vote every four years, assisted by a cabinet chosen by himself and made up of seven secretaries of state and ten under-secretaries.

PRINCIPAL CITIES

The most important city in the Dominican Republic is the capital Ciudad Trujillo (formerly Santo Domingo), with a population of over 71,000. Ciudad Trujillo, besides being the seat of Government, is an important industrial centre and the leading seaport. It is located on the southern coast of the island. San Pedro de Macorís, another important city on the south coast, with a population of 18,889, is the shipping centre for the sugar industry and the Dominican terminal of Pan-American Airways. On the north coast the port and city of Puerto Plata is of some importance. The population is about 12,000, and this city is connected by a direct railroad with Santiago de los Caballeros, an inland city on the River Yaque, with a population of 34,000. The latter is the centre of the tobacco industry and the second largest city in the Republic.

Other cities of less importance are La Vega in the central region, San Francisco de Macorís on the south coast; Azua, Seibo, San Cristóbal, Samaná, Barahona and Monte Cristi.

PORTS AND SHIPPING

Ciudad Trujillo is by far the most important seaport. The development of motor roads connecting this port with the interior of the island, and especially the opening in recent years of a highway over the central mountain range, connecting Ciudad Trujillo with the northern half of the island, has tended to reduce the importance of other seaports and increase proportionately the amount of shipping handled at Ciudad Trujillo. The port has been steadily improved in the past five years or more and is now considered to be one of the best in the Caribbean area from the standpoint of natural advantages, docking facilities and equipment. Extensive dredging operations now make it possible for large liners to berth alongside the docks, and ships of over 20,000 tons can be accommodated. There are about 4,000 feet of concrete wharfage and a refrigerated warehouse. The port of Ciudad Trujillo handled over two-thirds of the total tonnage of goods imported into the republic in 1937, and this proportion is reported to be increasing steadily. Canadian exporters are not likely to have occasion to ship to any other port.

San Pedro de Macorís handles more export tonnage than Ciudad Trujillo, a large proportion of the output of sugar and molasses being shipped through this port. Imports cleared at San Pedro, however, are almost exclusively supplies and equipment for the sugar industry. La Romana is also a sugar port on the south coast but is of little importance as an importing centre.

The only port of any consequence on the north coast is Puerto Plata but it is gradually decreasing in importance, particularly as regards imports of general cargo.

There are no direct shipping facilities between Canada and the Dominican Republic, but there is a regular weekly service operated by the New York and Puerto Rico Steamship Company (foot of Wall Street, New York) from New York to Ciudad Trujillo and Puerto Plata. Other lines operate less frequent services from New York and southern United States ports.

A start has been made towards the creation of a Dominican merchant marine, and a few ships have already been put into service between Dominican ports and other islands in the Caribbean.

CURRENCY, WEIGHTS AND MEASURES

The United States dollar is legal currency in the Dominican Republic, although the national unit of currency, the peso, is still used. The value of the peso is fixed by law at 20 cents United States currency.

In 1938 United States coins and old Dominican coins were taken out of circulation and replaced by new Dominican coins issued to the value of \$600,000. The new coins were minted by the Royal Canadian Mint, and the issue was handled by one of the Canadian banks. This new metal currency, in denominations of 50, 25 and 10 cents (silver), 5 cents (nickel) and one cent (copper), is at par with United States currency.

The metric system of weights and measures is officially in force, but British weights and measures, as well as the United States gallon, are often used in commercial transactions. Statistics are expressed in metric units exclusively, and these must be used also in consular invoices and other official documents.

BANKING

There are three banks operating in the Dominican Republic: The Royal Bank of Canada, with head office at Ciudad Trujillo and branches at San Pedro de Macoris, Santiago de los Caballeros, Puerto Plata and La Romana; the Bank of Nova Scotia at Ciudad Trujillo; and the National City Bank, with head office at Ciudad Trujillo and six branches in the leading cities.

RAILWAYS AND ROADS

There are two public railways in the republic. One of these is government owned and runs between Puerto Plata and Santiago, about 65 miles apart; the other, owned and operated by a British concern, connects Sánchez and La Vega, over a distance of about 100 miles.

Most of the inland traffic is carried over highways and roads on which considerable work has been done in the past ten years. Good highways, aggregating about 1,000 miles in length, now connect Ciudad Trujillo with all the other important centres in the Republic.

NATURAL RESOURCES

Except for its climate and the fertility of its soil, the Dominican Republic cannot boast of much in the way of natural resources. There are known mineral deposits, including gold, silver, copper, iron and petroleum, but these are not considered rich enough to justify their being worked. Some placer gold mining is carried out in a primitive manner, production in 1937 being valued at \$235,000. Forestry is not an important source of revenue, the total yearly production of sawmills being valued at less than \$250,000.

PURCHASING POWER

The standard of living among the lower classes of the population is extremely low, unskilled industrial labourers and peon farmers being paid very

little in wages. The better classes of skilled labourers, clerical workers, small merchants and farm owners live fairly well as compared with the same classes in other Latin-American countries. Large incomes are limited to a few merchants, land-owners and professional people. To establish a comparison, yearly imports of foreign goods into the Dominican Republic average about \$8 per head of population, while in the neighbouring Republic of Haiti the average is \$2.50, in Jamaica \$22 and in Cuba \$26.

IMPORT AND EXCHANGE RESTRICTIONS

There are few restrictions on imports of foreign goods into the Dominican Republic. A licence must be obtained by the importer for entry of the following products: rice; firearms and ammunition; nitric, sulphuric and picric acids; nitrates of potassium, mercury, sodium and ammonia; nitroglycerine; sulphur; fulminate of mercury; potassium sulphate; sodium sulphite; potassium chlorate; sulphide of antimony; persulphate of ammonia; collodion; ethyl alcohol and nitrobenzol.

Pharmaceutical specialties and patent medicines may only be imported by firms that have previously been approved and registered by the health authorities.

Imported cement must be accompanied by a certificate in duplicate (in Spanish) to the effect that it is not inferior to the standards set by the American Association for Testing Materials or similar standards. This certificate may be delivered by any recognized Canadian organization similar to the above-named.

Otherwise the only restrictions are the usual ones on printed matter, films, etc., detrimental to public morals or offensive to the State.

There are no restrictions whatever on payments or the transfer of funds, and foreign exchange may be obtained freely at the open market rate for the payment of imported goods.

CUSTOMS DUTIES AND INTERNAL REVENUE TAX

A trade agreement between Canada and the Dominican Republic was signed in March, 1940. This agreement guarantees that goods of Canadian origin will receive as favourable treatment as goods of any other foreign country in the application of customs duties and any import or internal revenue taxes. There is no provision, however, for any tariff preferences on Canadian goods, and Canadian exporters are on exactly the same footing as their competitors in other countries, since most countries have entered into similar most-favoured-nation agreements with the Dominican Republic. For practical purposes, therefore, a Canadian exporter need not concern himself with ascertaining tariff rates on his products if it is established that similar products are imported from other sources and that they are saleable in the republic despite the increase in price resulting from the application of duties and taxes.

In addition to customs duty proper, imported goods are subject to an internal revenue tax similar in its application to the Canadian sales tax. The rate of this tax varies according to the nature of the goods, and rates have in the past been subject to frequent revisions, mostly upwards. In fact it has become a practice, when the necessity of increasing charges on imported goods arises, to increase the internal revenue tax rather than the rate of duty proper.

Detailed information regarding rates of duty and taxes on any specified goods will be supplied to Canadian exporters on application to the Department of Trade and Commerce, Ottawa.

The Dominican Customs also collect from the importer a consular fee of 3 per cent of the f.o.b. price of the goods for certification of consular invoices and a fee of \$2 for consular certification of bills of lading.

DOCUMENTARY REQUIREMENTS

In addition to the usual commercial invoices and other necessary documents, such as bank drafts, certificate of insurance, etc., shipments to the Dominican Republic must be accompanied by a set of four consular invoices and by the bills of lading. Both the consular invoice and bill of lading must be certified by a Dominican Consul, either at the point of origin or at the port of embarkation. Certificates of origin are not required.

Complete information concerning the preparation of invoices is contained in a leaflet entitled "Dominican Republic Documentary Requirements," which may be obtained on application to the Department of Trade and Commerce, Ottawa.

COMMERCIAL TRAVELLERS

There is a tax of \$50 a year plus \$5 stamp tax payable by anyone entering the Republic to sell or offer for sale goods of any description. Anyone entering as a tourist who has not paid this tax is liable to a fine in addition to payment of the tax if he is found to have transacted any business for the account of a foreign firm or has endeavoured to transact business.

The most pleasant time to visit the Republic is from November to March.

SAMPLES AND ADVERTISING MATTER

When sent, samples are admitted free of duty if they have no commercial value or have been mutilated so as to render them unsaleable. Samples of dutiable goods having a commercial value, no matter how small, are dutiable at the same rates as regular shipments of the same goods. Samples forwarded by mail or parcel post need not be accompanied by consular documents, but a copy of the commercial invoice should be included with the shipment. Samples shipped by freight are subject to the same documentary and consular requirements as other shipments.

Canadian firms should never send samples to the Dominican Republic without having ascertained from the importer in what quantity and under what form these are required. The importer will often wish to give definite instructions regarding the packing of samples so as to reduce the amount of duty. On light textile items, for instance, the amount of duty may be multiplied many times if the sample is attached to a heavy display card.

When carried, samples brought in by commercial travellers are admitted duty free. If the samples have a commercial value and are saleable, a bond must be posted and the samples re-exported within four months, at which time the bond will be cancelled or the deposit refunded. If some of the samples are not re-exported, duty will be collected only on the samples which have remained in the country. Samples brought in by commercial travellers should not exceed \$2,000 in value. The traveller should carry a sworn document in triplicate on which all samples are listed, described and valued.

Advertising matter is admitted free of duty providing it is not for sale. It should not be included in shipments of goods or samples, as it may create complications when the goods are cleared through the Customs, especially if they are dutiable on the basis of their gross weight.

PACKING

Shipments are handled normally at the ports and on interior hauls, so that ordinary export packing will be found adequate so far as strength is concerned. With certain goods, however, special care should be taken to protect them against the effects of the hot humid climate. This can be done by lining shipping cases with waterproof material, either metal or specially treated paper. As a precautionary measure, metal goods or parts of machinery which are not

protected by galvanizing, parkerizing, enamel, chromium or some similar process, should be covered with a protective film of oil or grease or a slushing compound.

A number of products are dutiable on the basis of their gross weight, inclusive of all packing. On such items it is to the advantage of the importer that the weight of containers be reduced, if this can be done without risk of injury to the contents.

Rice strain may not be used for packing goods, and the use of second-hand bags is also prohibited.

AGRICULTURAL PRODUCTION

Agricultural production and its related industries are the mainstay of the Republic. It may even be said that the prosperity of the country and purchasing power of the population depend entirely on the net revenue from the sale abroad of the main agricultural crops: sugar, cacao, coffee and tobacco. Although sugar is a very important item, exports of cane products normally accounting for about 60 per cent of the total value of Dominican exports, the prosperity of the country does not depend entirely on this one crop, and agricultural production is sufficiently diversified to offset to some extent the effects of a price decline in any one commodity. Efforts are being made to encourage the growing of new crops, and some progress has been made under this policy, especially as regards the production of bananas and other fruit for export.

Stock raising is gaining in importance. The census of 1937 showed the number of head in the country to be as follows: horned cattle, 913,128; pigs, 879,991; goats, 373,204; sheep, 34,829; horses, 265,771; asses, 137,678; mules, 44,528.

INDUSTRIAL PRODUCTION

The total value of industrial production in 1937 amounted to \$23,000,000, of which the food-producing industries accounted for \$16,452,885 and sugar mills alone for about \$12,000,000. Other important items in the foodstuffs group, with the value of their yearly production, are as follows: rice, \$1,530,000; bread, \$566,000; starch, \$223,000; beer, \$327,000; rum, \$865,000; canned meat, \$65,000; chocolates, \$84,000; ice, \$122,000; wheat flour, \$77,000; maize flour, \$52,234.

In the textiles group, production is mainly of ready-made clothing from imported fabrics. The main items, with approximate yearly production, are as follows: men's suits and pants, \$250,000; shirts, \$200,000; underwear and pyjamas, \$30,000; mattresses, \$60,000; hats, \$55,000.

In the forest products industries the yearly production of sawmills is valued at around \$250,000, production of fine lumber alone accounting for \$210,000.

The big items in the chemical industries are salt, with an output valued at about \$550,000; soap, \$450,000; and alcohol, \$650,000.

The yearly output of tanneries is valued at \$250,000, and the production of shoes at \$600,000.

The tobacco industry turns out annually over 30,000,000 cigars, valued at about \$350,000, and 225,000,000 cigarettes worth approximately \$1,000,000.

The production of electric power is close to 15,000,000 kilowatts from 14 power plants with an aggregate capital investment of \$2,500,000.

EXPORT TRADE

The value of total exports of the Dominican Republic in 1939 amounted to \$18,643,000, which is almost exactly the average of yearly exports for the last 35 years. The highest total was reached in 1920 when, due to very high prices paid for sugar and other staples, Dominican exports were valued at over \$58,000,000.

In 1939 the value of exports of raw sugar was over \$12,000,000, or approximately two-thirds of the total. Other leading exports were: cocoa (\$2,000,000),

coffee (\$1,731,000), starch (\$621,000), leaf tobacco (\$422,000), maize (\$250,000), molasses (\$241,000), mineral ores (\$220,000), live cattle (\$205,000).

It will be noted from the above that the sugar crop and the value received for sugar products exported is of the greatest importance to the Dominican Republic. The prosperity of the country and purchasing power of the population depend to a very great extent on this one item of export. At the present time, due to the closing of certain European markets, there is grave concern as to the immediate future. Since the beginning of the war large purchases of sugar by the United Kingdom and the British Dominions have saved the country from a serious economic breakdown, but prices of the staple products exported by the Dominican Republic are decreasing, and prospects on the whole are not bright.

There was an increase in the total value of Dominican exports in 1939 of over \$4,000,000 as compared with the previous year's figures, but exports in 1940 are expected to be somewhat lower than for last year.

The United Kingdom is the leading purchaser of the country's products, taking Dominican goods in 1939 to the value of \$6,774,000 or 36 per cent of total exports to all countries. The United States is in second position, taking 27 per cent of the total in 1939, and France, an important purchaser of Dominican coffee, ranks third with 12 per cent of the total. Other leading purchasing countries are: French Morocco, 8 per cent; Holland, 5; Dutch Indies, 3; New Zealand, 3; and Germany, 2 per cent. The United Kingdom in 1939 purchased 57 per cent of total exports of Dominican sugar, while practically the whole of the cacao crop (97 per cent) went to the United States. The United States also purchased 99 per cent of the total exports of starch, 96 per cent of molasses exports and 100 per cent of the gold shipped out of the Dominican Republic. France was the largest purchaser of coffee, taking 31 per cent of the crop, and Holland purchased 40 per cent of total leaf-tobacco exports.

Statistics do not give a true picture of the Dominican Republic's trade with Canada, due to the absence of direct shipping facilities, and, although sales to Canada are comparatively small, they exceed by far the figures shown in official statistics (\$35,000 in 1939).

IMPORT TRADE

Total imports into the Dominican Republic in 1939 were valued at \$11,592,000 as compared to \$11,342,000 in 1938, so that the balance of trade in favour of the Dominican Republic increased from approximately \$3,000,000 in 1938 to slightly over \$7,000,000 in 1939. This is the highest favourable balance since 1924. The average value of yearly imports for the past 35 years was slightly over \$14,000,000.

The leading import items in 1939 were: cotton fabrics (\$1,694,000), machines and apparatus (\$986,000), chemical and pharmaceutical products (\$647,000), jute bags (\$486,000), paper and manufactures thereof (\$403,000), gasoline (\$329,000), cement (\$270,000), other building materials (\$300,000), automobiles (\$250,000), rubber and manufactures thereof (\$223,000). In food products the leading items were fish (\$241,000), wheat flour (\$193,000), lard and similar fats (manteca de cerdo) (\$116,000), vegetable oils (\$95,000), fresh and dried fruit (\$72,000).

The main source of supply was the United States, which shipped 54 per cent of all the goods imported into the Dominican Republic. That country also supplied 91 per cent of total imports of machinery, 96 per cent of automobile imports, 47 per cent of chemical and pharmaceutical products, 70 per cent of paper and paper manufactures, 60 per cent of building materials other than cement, and 72 per cent of rubber products.

The second largest supplier is Japan, whose sales to the Dominican Republic in 1939 accounted for 10 per cent of total imports and were made up almost exclusively of cotton fabrics. Germany was in third place with 8 per cent of the total (cement, chemical and pharmaceutical products, etc.). The United Kingdom came next with 5 per cent of total imports, followed by British India with 4 per cent, mostly jute bags; France, 3 per cent; Dutch Indies, 3 per cent; and Italy, 2 per cent. Canada ranked tenth on the list of main supplying countries and is credited in official statistics with slightly more than 1 per cent of total imports. These figures, however, do not always take fully into account exports of Canadian goods shipped from United States ports. This discrepancy is of some importance as, due to the absence of direct shipping facilities between Canada and the Dominican Republic, practically all Canadian goods for that country are shipped through the United States.

IMPORTS FROM CANADA

Dried and smoked fish for many years accounted for the bulk of Canada's sales to the Republic, but unfavourable tariff treatment tended to reduce the value of this trade until this tariff handicap was removed in 1939. Sales of these items are expected to increase following this improvement in the tariff situation.

Other leading items imported from Canada are rubber tires and tubes, wheat and cereal preparations, wheat flour, chemical and pharmaceutical products, potatoes, tallow, copper and manufactures, writing and printing paper and miscellaneous paper products, miscellaneous rubber goods, silk hosiery, agricultural machinery and implements, and fresh fruit. This list is based on import figures for 1938, as detailed statistics for 1939 are not yet available (September 5, 1940).

POSTAGE AND PARCEL POST

The rate of postage for letters from Canada to the Dominican Republic by surface mail is 3 cents for the first ounce and 2 cents for each additional ounce. The postcard rate is 3 cents.

Parcel post rates from Canada are 20 cents per pound up to 10 pounds, \$2.50 for parcels over 10 pounds to 15 pounds, and \$3 for parcels over 15 pounds up to 20 pounds.

The airmail rate from Canada to the Dominican Republic is 10 cents for each quarter ounce. Airmail should be used for all urgent letters, as this will result in a considerable saving of time.

The Dominican Republic is included in the territory covered by the Canadian Trade Commissioner to Cuba, with offices in the Royal Bank Building, Aguiar 367, Havana. The address for letters is: Apartado 1945, Havana, Cuba.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to September 28, 1940:—

	Total Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to Sept. 28, 1940 Quantity	Per Cent
Cattle (700 lbs. or more) . . . Head	225,000	3 to 1½c. per lb.	87,385	38.7
Cattle (less than 200 lbs.) . . . Head	100,000	2½ to 1½c. per lb.	97,311	97.3
Whole milk. Gals.	3,000,000	6½ to 3½c. per gal.	5,710	....
Cream Gals.	1,500,000	56¼ to 28¼cc. per gal.	643	....
Filleted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish Lbs.	15,000,000	2½ to 1½c. per lb.	7,765,900	51.7
Seed potatoes Bus.	1,500,000 beginning Sept. 15, 1940	75 to 37½c. per 100 lbs.	18,867	1.2
White or Irish potatoes, other than seed potatoes Bus.	1,000,000 beginning Sept. 15, 1940	75 to 60c. per 100 lbs. Dec. 1 to end of February; 37½c. Mar. 1 to Nov. 30	45	....
Silver or black fox furs . . . Units	100,000 beginning Dec. 1, 1939	50 to 35 per cent ad val.	58,300	Quota filled Mar. 5, 1940
Red cedar shingles Squares	2,371,544	Free	2,215,210	97.1

During the third quarter of 1940 Canada shipped 30,294 head of cattle weighing 700 pounds or more, other than dairy cows, to the United States, or 58.7 per cent of the quarterly allotment of 51,720 head. The quota allotment of 8,280 head from countries other than Canada for the third quarter of the year has been filled and receipts over and above this amount have been subject to the full tariff rate.

TARIFF CHANGES AND TRADE REGULATIONS

Australia

IMPORT LICENSING OF CANNED HERRINGS

With reference to the announcement in the last issue of the *Commercial Intelligence Journal*, October 12, page 532, respecting the import licensing of canned herrings in Australia for the period October 1 to December 31, 1940, the Canadian Trade Commissioner in Sydney has cabled that the quota for such imports from Canada for that period will be 25 per cent of the imports from Canada during the base year plus 25 per cent of the United Kingdom quota, which has been transferred to Canada.

New Zealand

IMPORT RESTRICTIONS IN 1941

W. F. BULL, CANADIAN TRADE COMMISSIONER

Auckland, September 25, 1940.—The Minister of Customs on September 24 announced the schedule on which licences would be issued for all products imported into New Zealand during the twelve months of the calendar year 1941. Import restrictions were first imposed in this country on December 5, 1938, covering the period January-June, 1939. This control of imports was taken in an effort to correct the balance of trade and build up overseas funds. It was quickly found that the early restriction policy was too lenient as imports continued at a high level; accordingly in each succeeding period (July-December, 1939; January-June, 1940; and July-December, 1940) the restrictions have been more drastic. The schedule just issued covers twelve months instead of six months and is based on imports during 1938.

The only important concession of interest to Canada is the removal of "unassembled or completely knocked down chassis for commercial trucks, delivery vans or omnibuses" from the "completely prohibited from all countries" list to the position where applications to import these motor truck chassis will be "individually considered." Licences to import from Canada will not

be granted unless the applicant can prove that the importation is essential to the economy of New Zealand, and that suitable chassis cannot be obtained from the United Kingdom or Australia. To counter this concession, the importation of pneumatic tires and tubes—formerly admitted on a 50 per cent basis from Canada—is prohibited from Canada and the other Dominions. Tires can be imported from the United Kingdom up to 75 per cent of the value of imports from the United Kingdom in 1938, plus 75 per cent of the value of tires imported from Canada and other British countries in 1938. New Zealand was the largest purchaser of Canadian tires in 1938 with imports valued at the equivalent of \$1,717,764.

In announcing this fifth-period schedule the Minister stressed the fact that the allocations covered the whole of 1941, and that they had been determined by the amount of overseas funds available and could not be increased. In the past considerable leeway has been given to importers, particularly under the present difficult shipping conditions. For example, second-period licences were extended for six months to overlap the third period, and third-period licences are good up to December 31, 1940, the end of the fourth period. It is not proposed to continue this practice in future; third-period and fourth-period licences definitely will not be extended beyond December 31, 1940. When goods ordered under the authority of a third- or fourth-period licence—that is, a 1940 licence—are received in 1941, the value of these goods will be charged against the amount allocated to the particular importer for 1941. In other words, imports of any one item by any one importer should not exceed in value the amount fixed by the schedule for 1941. To make sure of this, licences will not be issued for the full amount of the fifth-period allocation so long as balances of third- and fourth-period licences are outstanding. When these third- and fourth-period licences are surrendered by the arrival of the goods or cancelled by the non-arrival of goods prior to December 31, 1940, fifth-period licences will be issued for the amount held back to cover these outstanding balances.

IMPORT SCHEDULE

The following items of interest to Canadian exporters have been selected from the fifth-period schedule; where the percentage of reductions is shown as "nil," imports in 1941 will be allowed up to the value of imports in 1938:—

	Reductions for Calendar Year 1941		
	United Kingdom, Crown Colonies, etc. Per Cent	Canada and other British Countries Per Cent	Foreign Countries Per Cent
Live animals, etc.	Applications to be considered individually		
Wheat	Imports by Government		
Wheat flour, etc.	100	100	100
Onions	100	100	100
Peas preserved in tins, etc.	100	100	100
Vegetables, fresh, dried, etc.	100	100	100
Fish, potted and preserved, n.e.i.; canned salmon	100	100	100
Jams, jellies, marmalade and preserves	100	100	100
Jellies, concentrated	100	100	100
Macaroni, vermicelli, spaghetti, etc., n.e.i.	100	100	100
Provisions n.e.i., including soups, etc.	100	100	100
Salt in packages under 5 lbs.	100	100	100
Salt (excluding salt in packages under 5 lbs.)	Nil	Nil	100
Maizena, corn flour	Applications to be considered individually		
Spirits and spirituous mixtures	50	50	100
Drugs, chemicals and other substances for manufacturing medicinal and toilet preparations in New Zealand	Nil	Nil	Nil
All items of apparel, including silk hosiery, hats and caps, dresses, with certain minor exceptions	100	100	100
Buttons n.e.i.	Applications to be considered individually		
Elastics, all kinds	Nil	Nil	100
Carpets, floor coverings, floor rugs, mats and matting n.e.i.	50	100	100

	Reductions for Calendar Year 1941		
	United Kingdom, Colonies, etc. Per Cent	Canada and other British Countries Per Cent	Foreign Countries Per Cent
	25	100	100
Linoleum, cork carpets and rubber flooring, etc.			
Fur skins, green or sun-dried (luxury types of fur skins not to be imported)	Applications to be considered individually		
Furs and other similar skins, dressed or prepared but not made up in any way	100	100	100
Furs or imitation furs wholly or partly made up into apparel, rugs, etc.	100	100	100
Hat hoods, felt, of wool or fur, etc.	Applications to be considered individually		
Millinery of all kinds	100	100	100
Textile piece-goods, except jute and hessian from India	Nil	100	100
Knitted or lock-stitched piece-goods	Applications to be considered individually		
Yarns of cotton, silk, artificial silk, etc.	Nil	Nil	Nil
Belts, and belting, n.e.i. for driving machinery, etc.	Nil	Nil	100
Children's shoes	Nil	Nil	Nil
Shoes n.e.i. composed of canvas with rubber soles solutioned to the uppers	100	100	100
Boots n.e.i. composed of canvas with rubber soles solutioned to the uppers; goloshes and overshoes	Nil	50	100
Slippers n.e.i.	100	100	100
Boots, shoes, etc., n.e.i.	100	100	100
Gumboots, etc.	Nil	Nil	100
Hot water bags and hot water bottles of rubber	25	100	100
Moulded rubber strip suited for the repair of pneumatic rubber tires n.e.i.	100	100	100
Pneumatic rubber tires, and inner tubes of rubber therefor, n.e.i.	25	100	100
Refractory materials n.e.i., etc.	Applications to be considered individually		
Plaster-pulp sheets, plaster board, and similar materials	100	100	100
Fancy goods and toys; walking sticks; tennis, badminton and squash racquets; golf clubs and golf bags; football and basketball covers	100	100	100
Organs, pianos	100	100	100
Toilet preparations and perfumery n.e.i., etc. . .	100	100	100
Cardboard, pasteboard, woodpulp board, etc., of size not less than 20 inches by 15 inches, etc. (types of board to be specified on applications)	Applications to be considered individually		
Cardboard, pasteboard, woodpulp board, etc., n.e.i.	100	100	100
Ink, printing, black, in packages, containing not less than 1 cwt., etc.	Nil	Nil	100
Carpet-felt paper, and paper felt n.e.i.	100	100	100
Emery paper, emery cloth and glass paper, etc.	Nil	Nil	100
Paperhangings	Nil	50	100
Paper-pulp, for the manufacture of paper	Applications to be considered individually		
True vegetable parchment, unprinted.	Applications to be considered individually		
Paper (other than wrapping paper) waxed, unprinted, etc.	100	100	100
Wrapping paper, printed or unprinted, etc. . .	Nil	50	100
Wrapping paper in sheets less than 20 inches by 15 inches, etc.	100	100	100
Fruit wraps	Applications to be considered individually		
Carbon and similar copying paper, n.e.i.	Nil	Nil	100
Paper n.e.i., etc., in rolls, including newsprint. .	Applications to be considered individually		
Printed books, papers, music or advertising matter n.e.i. (excluding paper transfers, school text books, religious, medical and legal publications)	50	50	80
Stationery and paper, manufactured, etc. . . .	100	100	100
Bolts and bolt ends up to 24 inches in length, including insulator bolts n.e.i., nuts, blank or screwed; metal threaded screws, set screws, engineers' studs, taper pins and split pins; rivets and washers other than washers wholly of rubber	Nil	100	100
Screws for wood	Nil	50	100
Chain, and chains, metal, etc.	Nil	Nil	100
Chain belting, etc.	Nil	Nil	100

	Reductions for Calendar Year 1941		
	United Kingdom, Crown Colonies, etc. Per Cent	Canada and other British Countries Per Cent	Foreign Countries Per Cent
Galvanized-iron manufactures, n.e.i., etc., japanned or lacquered metalware, etc. . . .	100	100	100
Lawn mowers	100	100	100
Typewriters (including covers but excluding ribbons); duplicating machines and apparatus, n.e.i.; addressing machines	50	100	100
Typewriter ribbons	75	100	100
Cash registering machines, not including recording paper	50	75	100
Electric machinery or appliances n.e.i., including electric motors, transformers and generators			
Batteries or cells not including storage batteries	Applications to be considered individually		
Parts of storage batteries, viz., battery containers	100	100	100
Storage batteries, complete and parts (excluding battery containers)			
Wireless broadcast receiving sets	100	100	100
Electric irons	100	100	100
Domestic gas cookers	100	100	100
Electric cooking and electric heating appliances	100	100	100
Concrete mixers	100	100	100
Refrigerators			
Washing machines	Applications to be considered individually		
Circular saws, axes and hay forks	Applications to be considered individually		
Artificers' tools n.e.i., etc. (excluding circular saws, axes and hay forks)	Nil	Nil	50
Hardware, hollowware and ironmongery n.e.i. . .	Nil	50	50
Porcelain enamelled cast-iron baths	50	100	100
Builders' and cabinet-makers' hardware, etc. . .	100	100	100
Copper, iron, lead, tin and other metal, in billets, blooms, ingots, or pigs, etc.	Nil	Nil	50
Wire, metal, plain, n.e.i.; barbed fencing wire, etc.			
Metal cordage, not being gold or silver	Applications to be considered individually		
Motor vehicles, n.e.i., viz.—	Applications to be considered individually		
(a) Unassembled or completely knocked down (c.k.d.) chassis for commercial trucks, delivery vans or omnibuses	Applications to be considered individually		
(b) Unassembled or completely knocked down vehicles other than chassis for commercial trucks, delivery vans or omnibuses	100	100	100
(c) Spare parts of	25	25	25
Linseed oil, etc.	Nil	Nil	100
Cod and other fish liver oils	Nil	Nil	Nil
Paints and colours, ground in liquid, n.e.i.; paints mixed ready for use; enamel paints, etc.	100	100	100
Varnishes, lacquers, etc.	100	100	100
Kalsomine, distempers, etc., in powder form . .	100	100	100
Paints and colours, dry	Nil	Nil	Nil
Laths and shingles	100	100	100
Timber, rough sawn or rough hewn	Applications to be considered individually		
Timber, sawn, dressed	100	100	100
Doors, wooden, plain or glazed	100	100	100
Handles, broom, mop, hoe, rake, and similar . .	100	100	100
Handles, wooden, for tools n.e.i.	Nil	Nil	Nil
Oars and sculls, all kinds	Nil	Nil	Nil
Veneers and plywood	Applications to be considered individually		
Woodenware, and turnery	100	100	100
Carpet sweepers and floor-polishers or scrubbers, etc.	100	100	100
Brushes, brushware and brooms	100	100	100
Cordage, rope and twine	75	100	100
Manures	Applications to be considered individually		
Pictures for the manufacture of calendars, show-cards, boxes, writing pads and similar articles	Nil	100	100
Insulating building board	Applications to be considered individually		
Seeds, grass and clover, agricultural seeds (other than flower and vegetable seeds)	Applications to be considered individually		
Straws, drinking, of paraffined paper	100	100	100
Brake lining in the piece	Nil	100	100

In the past local manufacturers have been given special licences for the importation of raw materials, accordingly an article may appear in the schedule as reduced by 100 per cent and still be imported in fair quantities. For example, in the case of textiles, substantial orders have been placed this year with Canadian manufacturers by New Zealand dress manufacturers for rayon piece-goods.

Canadian trade with New Zealand has been seriously affected by the import restrictions, as many Canadian goods have been considered in the luxury class and prohibited. The latest figures available cover the first six months of 1940, and in this period imports from Canada were valued at \$4,864,799 as compared with \$10,306,515 during the first half of 1939, a reduction of \$5,441,716 or more than 50 per cent.

South Africa

DUTY ON POTABLE SPIRITS INCREASED

Writing under date of August 29, Mr. J. C. Macgillivray, Canadian Trade Commissioner in Cape Town, advises of an increase in the customs duty on potable spirits when imported into South Africa.

The rate per imperial proof gallon was raised from £2 5s. to £2 12s. 6d. The tariff item concerned includes potable spirits exceeding 3 per cent of proof spirit but excluding liqueurs, cordials, mixed potable spirits, medicinal preparations (liquid), essences and syrups.

Bahamas

IMPORTS FROM ALL NON-EMPIRE COUNTRIES SUBJECT TO LICENCE

Bahamas Defence Import Control Regulations gazetted August 15, 1940, prohibit, except under licence, the importation of all goods from all countries outside the British Empire. The licensing authorities may refuse any licence applied for, or may in granting a licence impose such conditions, restrictions and limitations as they shall consider necessary.

Exempted from the import licence requirement are: commercial travellers' samples, baggage and private effects, gifts to consignees resident in the Colony, and non-commercial importations not exceeding £10 in value at any one time imported not more than once a month.

Honduras

TARIFF ON "NYLON" HOSE

Mr. A. B. Muddiman, Canadian Trade Commissioner at Mexico City, writes under date October 4 that Honduras customs memorandum No. 140 of August 29 classified socks and stockings of "nylon" for duty purposes as socks and stockings of natural silk, on which the tariff is approximately \$2 per pound gross weight. According to the Honduran tariff the rate of duty on hose of artificial silk is about 53 cents per pound. All goods entering Honduras are also subject to a surtax of 11 per cent ad val.

Argentina

EXCHANGE RATE FOR COLLECTION OF CONSULAR FEES

With reference to the notice in *Commercial Intelligence Journal* No. 1913, September 28, 1940, page 460, Mr. Saul Aguilar, Consul General of Argentina in Ottawa, advises that the rate of exchange in force as from October 2, 1940, for the purpose of the collection of fees is \$26.638 Canadian per 100 Argentine paper pesos.

Greenland

TRADING AND TARIFF CONDITIONS

Before the occupation of Denmark by Germany, trade with Greenland was a state monopoly of Denmark. Information has been received from Mr. H. Chr. Sonne, Chairman, American Greenland Commission, 96 Wall Street,

New York, that in view of the peculiar nature of the country, monopoly of trade on the part of authorities will for all practical purposes continue, but the entire basis of Greenland's economy has been undergoing revision. Trade with Denmark has been cut off and the Greenland authorities are now dealing with the United States and Canada. There is no duty on imports due to the circumstances that the authorities, in effect, are the importers.

EXCHANGE CONDITIONS IN EMPIRE AND FOREIGN COUNTRIES

South Africa

BANK CERTIFICATION OF SOUTH AFRICAN ORDERS

According to a telegram dated October 11 from Mr. J. H. English, Canadian Trade Commissioner at Johannesburg, there has been some misunderstanding in regard to certain United Kingdom exchange regulations which became effective October 1. Under these regulations certification by a South African bank is required on orders placed in Canada by South African importers for which payment is to be made to the Canadian exporter through a United Kingdom confirming house. No certification is required in case of orders placed in Canada by South African importers when payment is to be made by a draft on any bank in South Africa or through a North American confirming house.

Ecuador

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

Lima, October 3, 1940.—Exchange control continues in effect in Ecuador and the Central Bank of Ecuador alone can negotiate exchange. With the re-institution of exchange control in June the rates were fixed at 18 sucres selling and 17·90 sucres buying per United States dollar, but under date of July 23 the selling rate was lowered from 18 sucres to 16·90 sucres per United States dollar. Later again the rates were revised to 16·70 sucres selling and 16·40 sucres buying, and on September 28 the latter rate was again reduced to 15·80 sucres. Other foreign currencies are negotiated in the same proportion in conformity with New York quotations.

Under the regulations in force, exporters are obliged to turn over to the Central Bank the entire proceeds of their exports, exceptions being made for the amounts necessary for payment of export duties, freights, and commissions abroad. Customs houses can only authorize exportations with the permission of the Central Bank, which only grants such permission when the exporter has turned over to it the entire amount of exchange arising from the said exportation. Similarly, the Customs can only deliver goods to importers when such goods have been paid for through the Central Bank. Full details regarding the regulations in force, which consist of some sixty-five articles, are on file at the Department of Trade and Commerce, Ottawa.

As a result of the re-introduction of exchange control there exists a tacit form of import control, since it is necessary for importers to make application for their exchange requirements to the Central Bank of Ecuador. On July 14 quota restrictions were introduced in the case of certain commodities, including lard, flour, sardines, paints, oilcloth, automobiles, adding machines, sewing machines and silk hosiery.

Under present conditions Canadian exporters to Ecuador should require a copy of the certificate allotting exchange. Since business can now be done with Ecuador on letter of credit basis under the present control system, such terms should be required. Ecuadorian imports are expected to be considerably reduced, particularly for the remainder of the present year, and caution should be exercised.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING OCT. 15, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for the principal exchanges for the week ending Tuesday, October 15, 1940, and for the week ending Monday, October 7, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Oct. 7	Nominal Quotations in Montreal Week ending Oct. 15	Official Bank Rate
Finland	Markka	.0252	\$.0219	\$.0219	4
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0073	.0073	6
Hungary	Pengo	.1749			
	Official		.3227	.3227	4
	Unofficial		.2150	.2149	—
Yugoslavia	Dinar	.0176	.0249	.0249	5
Portugal	Escudo	.0442	.0442	.0442	4-4½
Roumania	Leu	.0060			3½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2643	.2645	3
Switzerland	Franc	.1930	.2563	.2573	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2249	.2260	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.....	.....	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.....	.....	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2602	.2620	—
Brazil	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0556	.0557	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0573	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6326	.6326	4
Peru	Sol	.2800	.....	.....	—
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4138	.4187	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.5800	4.6000	—
China (Shanghai)	Dollar	.....	.0613	.0633	—
Hongkong	Dollar	.....	.2573	.2541	—
India	Rupee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.....	.....	—
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5760	3.5760	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

There was no change in official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds during the week ended October 14. These remained at \$4.43-\$4.47 and \$1.10-\$1.11, respectively. At New York sterling free market rates, following a mid-week decline to \$4.03½, subsequently stiffened to \$4.04 for no net change. On the other hand, a small fractional decline occurred for Canadian funds at New York, rates closing the week at 86½ cents as against 86¾ cents on October 7. Montreal rates for the Swiss franc continued stronger, reflecting continued inflow of capital, it was stated. Among other units the Swedish krona was steady at 26.43 cents, while the Argentine peso (free rate) showed a further net gain on the week.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.

Halifax, N.S.

Quebec, P.Q.

Montreal, P.Q.

Toronto, Ont.

Chatham, Ont.

Guelph, Ont.

Kitchener, Ont.

Brantford, Ont.

Stratford, Ont.

Woodstock, Ont.

St. Mary's, Ont.

Portage la Prairie, Man.

St. Boniface, Man.

Winnipeg, Man.

Vancouver, B.C.

New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.

Kingston, Ont.

Oshawa, Ont.

Belleville, Ont.

Peterborough, Ont.

London, Ont.

St. Catharines, Ont.

Hamilton, Ont.

Victoria, B.C.

Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.

Montreal, P.Q.

Winnipeg, Man.

Edmonton, Alta.

Vancouver, B.C.

Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Wheat and Cracked Wheat for Cereal.....	635	Port of Spain, Trinidad, B.W.I.....	Purchase.
Rolled Oats.....	636	Panama, R.P.....	Agency.
Canned Fruit.....	637	Cairo, Egypt.....	Agency.
Tinned Fruit.....	638	Haifa, Palestine.....	Agency.
Miscellaneous—			
Kraft Paper.....	639	Tel-Aviv, Palestine.....	Purchase and Agency.
Miners' Carbide Lamps.....	640	San Jose, Costa Rica.....	Agency.
Brazing Lamps (Kerosene).....	641	Hobart, Tasmania.....	Purchase or Agency.

COMMERCIAL INTELLIGENCE SERVICE

H. W. CHENEY, *Acting Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: G. R. HEASMAN, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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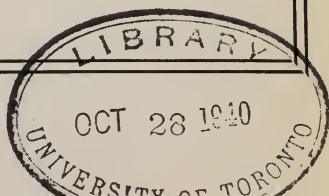


Canadian Radios being Packed for Shipment

ISSUED BY AUTHORITY OF

THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE

L. D. WILGRESS, DEPUTY MINISTER



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No. 1917

UNITED STATES FOREIGN TRADE, JANUARY TO JUNE

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, October 11, 1940.—While the war has altered the normal channels of world trade, the foreign trade of the United States, as shown in official government statistics, has not been curtailed by war conditions in Europe and Asia, and there has been a considerable diversion to the United States of orders normally placed with European suppliers.

United States trade with Latin America has been sharply stimulated by the war, although there is some doubt as to whether the present expansion will continue. There has been no corresponding increase in imports from South American republics, and the result has been that Latin-American nations may find it difficult to continue their purchases of goods from the United States at the present rate unless some means can be found for them to increase their exports to this country. In the opinion of the United States Department of Commerce, "it is fast becoming a question not of what we can sell to Latin America but what we can buy from that region." Undoubtedly, this is the reason for a recent Federal Act increasing the lending authority of the Export-Import Bank by \$500,000,000, in order to assist in developing the resources, economies and orderly marketing of products of countries in the Western Hemisphere.

TRADE WITH CANADA AND GREAT BRITAIN

Of outstanding interest to Canada is the increase in total trade with the United States from \$349,384,000 for the first six-month period of 1939 to \$497,911,000 in the corresponding period of 1940. United States exports to Canada increased from \$201,768,000 in the first six months of 1939 to \$316,677,000 during the corresponding six months of 1940, while United States imports from Canada increased from \$147,616,000 to \$181,234,000. During the same period total import and export trade between the United States and Great Britain increased from \$304,596,000 to \$425,907,000.

UNITED STATES EXPORTS AND IMPORTS

The value of United States exports for the first six months of 1940 amounted to \$2,067,734,000, an increase of 46 per cent from the value of \$1,416,011,000 for the corresponding period of 1939. Imports for consumption in the United States for the January-June period of 1940 were valued at \$1,243,440,000 as compared with \$1,071,673,000 for the like period of 1939, a gain of 16 per cent. Thus the total trade for the first half of this year amounted to \$3,311,174,000, a gain of 33 per cent over the total of \$2,487,684,000 for the 1939 period.

GOLD AND SILVER MOVEMENTS

A direct result of the European war has been the record flow of gold from various countries for war purchases as well as for safe-keeping in the United

States. During the January-June period of this year receipts of gold totalled \$2,750,537,000 as compared with \$2,021,077,000 in the corresponding period of 1939. The largest receipts, totalling \$1,402,416,000, came from Canada, while the United Kingdom shipped to a value of \$314,108,000; France, \$241,778,000; Sweden, \$154,964,000; and South Africa, \$146,649,000.

Exports of gold in the first six months of this year totalled \$4,939,000, and nearly all of this was shipped to Bolivia.

Imports of silver amounted to \$30,026,000, of which \$13,877,000 was received from Mexico, \$4,806,000 from Japan, \$4,163,000 from Canada, and \$3,163,000 from Peru. Silver exports amounted to \$3,063,000, of which \$1,003,000 was sent to British India, \$804,000 to Rumania, and \$555,000 to Canada.

PRINCIPAL MARKETS

United States exports to the six grand divisions of the world showed large increases in value ranging from 18.2 per cent for Asia to 69.7 per cent for South America for the first six months of this year as compared with the like period of 1939.

The following tables show the values of United States exports to various British Empire countries and other principal foreign countries for the January-June period of 1940 as compared with the corresponding 1939 period:—

United States Exports to British Empire Countries

	Jan.-June, 1940	Jan.-June, 1939	Inc. or Dec. Per Cent
	\$	\$	
United Kingdom	358,619,000	229,733,000	+ 56.0
Canada	316,677,000	201,768,000	+ 57.0
British South Africa	42,217,000	34,749,000	+ 21.0
Australia	40,805,000	27,808,000	+ 47.0
British India	31,554,000	17,030,000	+ 85.0
New Zealand	8,236,000	9,020,000	— 8.6
Ireland	3,728,000	5,640,000	— 33.9

United States Exports to Other Principal Foreign Countries

	Jan.-June, 1940	Jan.-June, 1939	Inc. or Dec. Per Cent
	\$	\$	
France	252,395,000	70,301,000	+259.0
Japan	106,945,000	111,037,000	— 3.7
Argentina	63,976,000	27,561,000	+132.0
Brazil	61,085,000	33,367,000	+ 83.0
Italy	52,055,000	26,368,000	+ 98.0
China	47,349,000	25,755,000	+ 83.0
Soviet Russia	42,217,000	20,109,000	+110.0
Netherlands	34,206,000	41,504,000	— 18.0
Belgium	24,951,000	33,080,000	— 25.0

The United Kingdom and Canada continue to be the two leading purchasers of United States products and, owing to their war requirements, exports from the United States to those countries showed a marked improvement over the figures for the corresponding period of 1939. Of the total exports, the United Kingdom took 17.3 per cent, valued at \$358,619,000, a gain of 56 per cent from the value of \$229,733,000 for the corresponding period of 1939. Shipments to Canada accounted for 15.3 per cent of the total exports and were valued at \$316,677,000, an increase of 57 per cent over the total of \$201,768,000 in the January-June period of 1939. Exports to Australia, South Africa, India, and Malaya showed increases, while decreases were recorded for shipments to Ireland and New Zealand.

Exports to other principal foreign countries showed increases of 259 per cent for France, 132 per cent for Argentina, 110 per cent for Soviet Russia, 98 per cent for Italy, 83 per cent each for Brazil and China, 26 per cent for

Venezuela, 97 per cent for Chile, and 86 per cent for Panama. The principal declines in export trade have been for shipments to Japan, Netherlands, and Belgium, while exports to Germany are practically negligible.

EXPORTS OF PRINCIPAL COMMODITIES

The following table shows the values of the twenty chief exports from the United States during the January-June period of 1940 as compared with the corresponding period of 1939:—

Twenty Chief United States Exports

	Jan.-June, 1940	Jan.-June, 1939	Inc. or Dec. Per Cent	Per Cent of 1940 Total
	Values in \$1,000			
Unmanufactured cotton	173,658	68,464	+ 153.6	8.6
Aircraft, parts, and accessories	138,388	48,869	+ 183.2	6.8
Automobiles, parts, and accessories	135,133	144,256	— 6.3	6.7
Power-driven metal-working machinery	104,783	53,362	+ 96.4	5.2
Lubricating oil	60,481	36,398	+ 66.2	3.0
Electrical machinery and apparatus	58,020	49,099	+ 18.2	2.9
Refined copper in ingots, bars, or other forms	48,942	32,810	+ 49.2	2.4
Iron and steel plates, sheets, skelp and strips	47,437	22,741	+ 108.6	2.3
Agricultural machinery	43,449	34,913	+ 24.4	2.1
Coal and coke	41,430	20,717	+ 100.0	2.0
Crude petroleum	35,138	45,198	— 22.3	1.7
Gasoline	34,599	46,048	— 24.9	1.7
Tin plate and taggers' tin	30,945	10,482	+ 195.2	1.5
Iron and steel bars and rods	28,303	6,872	+ 311.9	1.4
Leaf tobacco	27,110	39,273	— 31.0	1.3
Industrial chemicals	26,450	13,052	+ 102.7	1.3
Merchant vessels	24,932	694	+ 3,492.5	1.2
Iron and steel scrap	24,522	25,676	— 4.5	1.2
Steel ingots, blooms and slabs	24,092	2,219	+ 985.7	1.2
Iron and steel tubular products	22,115	9,189	+ 140.7	1.1

Four of the five export groups showed increases in value for the first half of 1940 over the like period of 1939, ranging from 11.1 per cent for manufactured foodstuffs up to 72.7 per cent for semi-manufactures. Exports of crude foodstuffs showed a decline of 38.9 per cent.

COTTON

Unmanufactured cotton was the leading United States commodity exported during the first half of 1940. Exports amounted to 1,653,523,000 pounds, valued at \$173,658,000 as compared with 752,287,000 pounds at \$68,464,000 in the corresponding period of 1939, a gain of 119.8 per cent by volume and 153.6 per cent by value. The increased exports were largely made to the United Kingdom, France, Italy, and Canada.

AIRCRAFT

As a result of the heavy purchases by the warring nations, exports of aircraft, parts and accessories valued at \$138,388,000 became the second leading export commodity and showed a gain of 183.2 per cent over the 1939 first-half-year total of \$48,869,000. The United Kingdom and France absorbed more than two-thirds of these exports.

AUTOMOBILES

Automobiles, parts and accessories dropped from first place among the exports in the first half of 1939 to third place in the 1940 period. Their value for the first six months of this year was \$135,133,000, a decline of 6.3 per cent from the 1939 value of \$144,256,000. Shipments of passenger cars totalled 58,130

units, a decline of 36 per cent, while exports of motor trucks and buses, amounting to 58,726 units, were off 9·3 per cent. Exports of engines and automobile tires also showed declines.

MACHINERY

The foreign demand for United States machinery continued to be heavy during the first six months of 1940 and reached a total value of \$324,921,000. About two-thirds of the exports were industrial machinery, which showed a gain of 47 per cent in value over the like period of 1939. Shipments of power-driven metal-working machinery, totalling \$104,783,000 in value, were 96·4 per cent above the value of \$53,362,000 for the January-June period of 1939. The value of exports of electrical machinery and apparatus totalled \$58,020,000, an increase of 18·2 per cent over the total of \$49,099,000 for the 1939 period. Shipments of agricultural machinery and implements were valued at \$43,449,000, a gain of 24·4 per cent over the previous year's figure. Substantial increases were also recorded for exports of power-generating machinery, construction and conveying machinery, and mining and quarrying machinery.

PETROLEUM AND PRODUCTS

United States exports of petroleum products, with the exception of lubricating oil, were below those for the first six months of 1939. Shipments of lubricating oil amounted to 2,089,005,000 pounds valued at \$60,481,000 as compared with 1,627,449,000 pounds at \$36,398,000 in the 1939 period, an increase of 28·4 per cent by volume and 66·2 per cent by value. Gasoline exports declined by 44·8 per cent in volume and 24·9 per cent in value from the figure for the first six months of 1939; gas oil and fuel oil declined by 27·8 per cent in volume and 27·8 per cent in value; and crude petroleum declined by 24·2 per cent in volume and 22·3 per cent in value.

LEAF TOBACCO

Exports of leaf tobacco amounted to 149,838,000 pounds valued at \$27,110,000 as compared with 156,043,000 pounds at \$39,273,000 in the first six months of 1939, a decline of 4 per cent by quantity and 31 per cent by value. The above decreases reflect the curtailment of the European market, particularly the United Kingdom, for United States leaf tobacco.

METALS AND METAL PRODUCTS

Shipments abroad of refined copper during the January-June period of 1940, the largest in ten years, amounted to 403,127,000 pounds valued at \$48,942,000 as compared with 322,159,000 pounds at \$32,810,000 in the corresponding 1939 period, a gain of 25·1 per cent by volume and 49·2 per cent by value.

Iron and steel products were in heavy demand abroad and, exclusive of scrap and advanced manufactures, exports for the first six months of this year amounted to 2,771,000 tons valued at \$197,970,000, an increase of 200 per cent in quantity and 182 per cent in value over shipments for the like half-year of 1939. Exports of iron and steel plates, sheets, skelp and strips were valued at \$47,437,000, a gain of 108·6 per cent over the 1939 half-year exports valued at \$32,810,000. Shipments of iron and steel bars and rods totalled \$28,303,000 in value, an increase of 311·9 per cent; iron and steel tubular products totalled \$22,115,000, a gain of 140·7 per cent. Exports of iron and steel scrap were valued at \$24,522,000, a decline of 4·5 per cent from the total of \$25,676,000 for the first half of 1939, while exports of steel ingots, totalling \$24,092,000, showed a gain of \$21,873,000.

AGRICULTURAL PRODUCTS

Although the European war has closed or curtailed a large number of markets for United States agricultural products, exports of some commodities, such as corn, sugar, soybeans, cornstarch and fish, have shown increases during the first half of this year over those for the corresponding period of 1939. Agricultural products which showed definite declines included wheat, wheat flour, lard, oil cake and oil-cake meal, oranges and canned fruit.

CHEMICALS AND RELATED PRODUCTS

Exports of chemicals and related products during the first six months of 1940 were valued at \$110,438,000, an increase of 60 per cent over the figure for the like period of 1939. Gains were recorded by industrial chemicals, coal-tar products, medicinal and pharmaceutical preparations, pigments, paints and varnishes, sodium compounds and crude sulphur.

IMPORT TRADE

The total value of imports into the United States for the first half of 1940 amounted to \$1,243,440,000 as compared with \$1,071,673,000 in the corresponding period of 1939, an increase of 16 per cent. However, the increase in imports was not general for arrivals from all grand divisions of the world. While increases ranging from 25.8 per cent for North America to 42.7 per cent for Asia were recorded, there were decreases of 5.5 per cent and 25.8 per cent in receipts from Oceania and Europe respectively.

The following table shows the value of United States imports from British Empire countries and other principal foreign countries for the January-June period of 1940 as compared with the like period of 1939:—

United States Imports From British Empire Countries

	Jan.-June, 1940 \$	Jan.-June, 1939 \$	Inc. or Dec. Per Cent
Canada	181,234,000	147,616,000	+ 23.0
British Malaya	123,434,000	61,511,000	+101.0
United Kingdom	67,288,000	74,863,000	- 10.1
British India	55,653,000	34,253,000	+ 63.0
British South Africa	24,317,000	13,929,000	+ 75.0
Australia	8,304,000	7,303,000	+ 14.0
New Zealand	3,737,000	5,812,000	- 36.0

United States Imports From Other Principal Foreign Countries

	Jan.-June, 1940 \$	Jan.-June, 1939 \$	Inc. or Dec. Per Cent
Japan	66,347,000	62,604,000	+ 6.0
Brazil	47,907,000	49,356,000	- 2.9
Argentina	43,666,000	29,939,000	+ 46.0
China	41,880,000	25,538,000	+ 64.0
France	28,572,000	30,902,000	- 7.5
Belgium	23,095,000	31,279,000	- 26.0
Italy	21,437,000	18,787,000	+ 14.0
Soviet Russia	11,418,000	10,202,000	+ 12.0
Netherlands	7,779,000	15,242,000	- 43.0

The British Empire supplied 40 per cent of this country's imports in the first six months of 1940. Receipts from all major parts of the Empire, with the exception of the United Kingdom and New Zealand, showed substantial increases in value over the figures for the first half of 1939. Imports from Canada were valued at \$181,234,000 as compared with \$147,616,000 in the corresponding period of 1939, a gain of 23 per cent. British Malaya ranked second among the leading sources of supply, the value of imports therefrom

amounting to \$123,434,000, a gain of 101 per cent over the figure for the like period of 1939. Imports from the United Kingdom totalled \$67,288,000 in value, a decline of 10 per cent from that for the 1939 period, while imports from New Zealand, valued at \$3,737,000 for the first six months of this year, were down 36 per cent.

Imports from other principal foreign countries, with the exception of France, Belgium, Netherlands and Brazil, showed gains ranging from 6 per cent for Japan to 64 per cent for China.

IMPORTS OF PRINCIPAL COMMODITIES

The following table shows the values of the chief imports into the United States for the January-June period of 1940 as compared with the corresponding period of 1939:—

Twenty Chief United States Imports

	Jan.-June, 1940 Values in \$1,000	Jan.-June, 1939 Values in \$1,000	Inc. or Dec. Per Cent	Per Cent of 1940 Total
Crude rubber, including latex	136,793	78,803	+	73.6
Coffee	70,072	71,614	—	2.2
Cane sugar	64,980	52,315	+	24.2
Standard newsprint paper	58,461	52,753	+	10.8
Tin bars, blocks and pigs	52,099	29,671	+	75.6
Raw silk	50,127	43,119	+	16.3
Unmanufactured wool	43,875	22,546	+	94.6
Undressed and dressed furs	35,466	24,732	+	43.4
Wood-pulp	33,949	32,333	+	5.0
Copper ore, concentrates, etc.	32,142	20,122	+	59.7
Raw hides and skins, except furs	26,025	23,693	+	9.5
Liquors, distilled	22,361	19,632	+	13.9
Burlaps	22,216	14,344	+	54.9
Diamonds, including industrial	21,684	22,243	—	2.5
Unmanufactured tobacco	17,854	17,984	—	0.7
Nickel and alloys	17,596	12,139	+	45.0
Fish	15,674	15,220	+	3.0
Bananas	14,556	14,366	+	1.3
Gas oil and fuel oil, etc.	13,703	5,871	+	133.4
Crude petroleum	13,488	11,072	+	21.8

During the first six months of 1940 purchases of the majority of the leading import commodities showed increases in value and quantity over the figures for the first half of 1939. Imports of crude materials, semi-manufactures and manufactured foodstuffs recorded gains in value as compared with the first half of 1939, while imports of finished manufactures and crude foodstuffs recorded declines.

CRUDE RUBBER

Imports of crude rubber for the January-June period of 1940 amounted to 786,026,000 pounds valued at \$136,793,000 as compared with 506,518,000 pounds at \$78,803,000 for the like period of 1939, a gain of 55.2 per cent by quantity and 73.6 per cent by value. The imports included 56,730,000 pounds under the "British Agreement." The average import price of rubber advanced from 15.6 cents per pound in the preceding year to 17.4 cents.

COFFEE

Receipts during the first half of this year of 1,020,991,000 pounds of coffee valued at \$70,072,000 were the largest on record, although the value was below that of last year. Coffee imports for the first half of 1939 totalled 991,675,000 pounds valued at \$71,614,000. The import price of coffee declined from 7.2 cents to 6.9 cents per pound.

CANE SUGAR

Imports of cane sugar for the January-June period of 1940 totalled 3,246,338,000 pounds valued at \$64,980,000 as against 2,349,531,000 pounds at \$52,315,000 in the like period of 1939, an increase of 38.2 per cent by volume and 24.2 per cent by value.

NEWSPRINT PAPER

United States imports of standard newsprint paper amounted to 2,597,588,000 pounds valued at \$58,461,000 as compared with 2,386,123,000 pounds at \$52,753,000 in the corresponding 1939 period, a gain of 7 per cent by quantity and 10.8 per cent by value. Imports of wood-pulp for the half-year amounted to 779,603 tons valued at \$33,949,000 as compared with 834,444 tons at \$32,333,000 in the corresponding period of 1939, a decrease of 6.6 per cent by volume but an increase of 5 per cent by value.

TIN

As a result of the war, the United States has found it necessary to increase her reserve supply of tin. In the first six months of 1940 imports totalling 119,084,000 pounds with a value of \$52,099,000, the largest entered for a six-month period, were 81.9 per cent in quantity and 75.6 per cent in value above the January-June, 1939, imports of 65,469,000 pounds valued at \$29,671,000. The average import price of tin, 43.7 cents per pound, was somewhat below that of a year ago.

RAW SILK

Receipts of raw silk totalled 15,855,000 pounds valued at \$50,127,000 as compared with 21,865,000 pounds at \$43,119,000 in the 1939 period, a decrease of 28 per cent by quantity and an increase of 16.3 per cent by value. Although the 1940 period imports were the smallest since the World War, the increase in value was accounted for by the import price rising from \$1.97 to \$3.16 per pound.

FURS

Imports of undressed and dressed furs during the first six months of this year were valued at \$35,466,000 as compared with \$24,732,000 in the 1939 period, a gain of 43.4 per cent. The principal items to record gains were lamb, kid, sheep and goatskin furs, fox and silver fox. Receipts of mink, squirrel and weasel furs showed declines. Imports of raw hides and skins, except furs, totalled \$26,025,000 in value, a gain of 9.8 per cent over the value for the similar period of 1939.

DISTILLED LIQUORS

During the first six months of 1940 the United States imports of distilled liquors amounted to 5,552,000 gallons valued at \$22,361,000 as against 4,566,000 gallons at \$19,632,000 in the like period of 1939, an increase of 21.6 per cent by volume and 13.9 per cent by value.

CATTLE

Receipts of cattle for the first half of this year totalled 372,000 head valued at \$9,419,000 as compared with 491,000 head at \$12,093,000 in the corresponding period of 1939, a decrease of 24.2 per cent in number and 22.1 per cent in value.

COPPER

Copper ore, concentrates and regulus, imported largely for re-export after smelting and refining, totalled 316,255,000 pounds valued at \$32,142,000 for the first six months of 1940, a new high for this commodity, as compared with 215,215,000 pounds valued at \$20,122,000 in the like period of 1939.

Other items showing gains during the January-June period of 1940 over the similar period of 1939 included unmanufactured wool, nickel and alloys, unmanufactured asbestos, crude petroleum, gas oil, finished distillate fuel oil and residual fuel oil. Among the commodities for which decreases were recorded in imports were unmanufactured cotton, cocoa, diamonds, meat and meat products, creosote oil, palm oil, wheat and domestic china and porcelain.

Mr. SYKES' TOUR OF CANADA

Mr. Paul Sykes, Canadian Trade Commissioner at Bombay, India (whose territory includes Burma and Ceylon), is on tour in the Dominion in the interest of Canadian trade with his territories.

His itinerary is as follows:—

Saint John	Oct. 28	Sherbrooke and district . .	Nov. 1
Black's Harbour and district	Oct. 29	Granby and district	Nov. 2
Edmundston	Oct. 30	Montreal and district . . .	Nov. 4 to 20
Quebec and district. . . .	Oct. 31	Ottawa and district	Nov. 21 to 23

Canadian firms who wish to be brought in touch with the Trade Commissioner should communicate for Montreal with the Montreal Board of Trade, and for the other centres, with the respective Board of Trade or Chamber of Commerce.

CONTROL OF RAW COTTON IN THE UNITED KINGDOM

A. E. BRYAN, CANADIAN TRADE COMMISSIONER

Liverpool, October 1, 1940.—Under the Control of the Cotton Industry (No. 10) Order, the Minister of Supply has fixed maximum prices for American and Egyptian cotton, including both futures and spot sales.

The growths affected by the Order are, for futures, American, Giza 7, Uppers and Sakellaridis grown in Egypt, and Sakellaridis or similar varieties grown in the Sudan; for spot sales, American, Giza 7, Uppers, Zagora and Ashmouni. It is not intended to apply price control to other growths so long as their prices remain in normal relation to the prices of American and Egyptian cotton.

A statement by the Cotton Controller, Sir Percy Ashley, says that the maximum prices established by the order are the closing prices for futures, and the official spot quotations for the types affected, as recorded in the daily report of the Liverpool Cotton Association for Tuesday, September 24. These are less than the prices quoted on the following day, when the directors of the Liverpool Cotton Association decided as an emergency measure to close the market for three days.

The establishment of maximum prices at a fixed level is obviously no more than a temporary measure and consideration is now being given to a more permanent regulation of cotton prices in this country in accordance with the movement of world prices.

The strength of the stock position now makes it possible to economize to a greater extent in the use of foreign exchange and in freight space, and

imports during the current season may be expected to be somewhat less than in the past. For instance, the amount of freight to be allotted for commercial imports of American cotton in October will be 15,000 bales. About half of this figure will be reserved for cotton for which import licences have already been issued, but which has not yet been shipped.

LICENCES TO USE FOREIGN COTTON

In order to ensure that the various types of cotton available are used to the best possible advantage, a further Order [the Control of Cotton Industry (No. 11) Order] made by the Minister of Supply makes the use of foreign cotton subject to licence. This will apply to all cottons grown outside the British Empire, but for the present an open general licence will be issued for Egyptian, Sudan, and French Equatorial African cotton.

Although supplies generally are ample, certain kinds of foreign cotton will be reserved in effect for export orders and for such government and other essential orders as cannot be carried out efficiently in other types of cotton. Spinners will be allowed to use from their own stocks or from new purchases enough cotton to meet all their requirements; but the amount of cotton of each kind licensed for use will depend on the volume and character of export and government or other essential orders on their books.

Licences will normally be issued to cover four weeks' requirements; but for the initial period of three weeks commencing October 7, licences will be sent to spinners individually before that date indicating the quantities of each growth that they will be allowed to use during the period.

GOVERNMENT'S BARTER STOCKS

Plans are now well advanced for the sale through the Cotton Control of cotton from the government stock which has been acquired under the cotton-rubber barter agreement with the United States. This cotton will normally be distributed through the merchants, but the Ministry of Supply reserves the right to sell direct to spinners if circumstances appear to make such a course desirable.

No restrictions are placed upon the purchase, sale or delivery of cotton. It is hoped that, for the present, the regulations of the use of particular growths of cotton will be sufficient to bring about any necessary adjustments of demand and supply of these growths, and that in this way it will be possible by the co-operation of all concerned to avoid the licensing of transactions between merchants and spinners, and to allow spinners to retain their stocks, even though the use of such stocks is subject to licence.

BUSINESS CONDITIONS IN NORTHERN IRELAND

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Belfast, September 17, 1940.—Although the war has brought about changes in production and consumption in Northern Ireland it has not so far materially changed local economic life. Governmental control of imports and rationing (the same as in Great Britain) have stopped the trade in some lines and restricted it in others, in accordance with orders affecting goods considered as unnecessary or as luxuries. The cutting-off of Continental supplies is being felt chiefly in flax, timber, wood pulp and paper, woodenware, fruit, certain vegetables, and some hardware lines. Owing to the control of imports, however, opportunities for Canadian exporters to increase their trade in these products

would be governed by emergency conditions and the amount of exchange available.

To date the Head Line, with direct sailings between Canada and Irish ports, has only lost one ship by enemy action, and cross-channel shipping, although restricted as to times and extent of sailings, has been ample for requirements. Mails and communications with Canada in general have been surprisingly good. Bankers state that business failures have not been above normal, that there is plenty of money in circulation, and that credits are normal.

GOVERNMENT FINANCES

In presenting his third war budget in the Northern Ireland House of Commons on August 6, 1940, Mr. J. M. Andrews, the Minister of Finance, announced that still greater financial help was to be given to Britain's war effort by the province. Briefly, Ulster will increase her Imperial contribution from £4,500,000 to £6,000,000 this year, and will hand over to the British Treasury 90 per cent of the total amount raised by the sale of Ulster Savings Certificates (National Defence Issue) instead of 75 per cent as was the case up to the present, the increase to date from April 1, 1940.

The recent increase in income tax and surtax announced by the British Chancellor applies also to Northern Ireland, as do the increases in the duties on beer, tobacco and wines. The increased revenue from income tax and surtax in Northern Ireland should now total nearly £1,000,000 in a full year. The new purchase tax will be administered by the United Kingdom authorities for the United Kingdom as a whole, and on the assumption of a United Kingdom yield of £40,000,000 this year, the Minister of Finance budgeted for a yield to Northern Ireland of £680,000.

INDUSTRY

During a recent visit to Northern Ireland the British Minister of Supply gave details of war contracts which have been placed in Northern Ireland. An order for the manufacture of 10,500 shells a week—more than half-a-million a year—had been given to a Belfast engineering firm. The linen industry had received orders for more than 30,000,000 yards of material, including canvas for waterproof coverings and denim for the lighter pattern uniforms of the forces. Orders worth £30,000, representing 450 tons of rope, had been placed by the Ministry of Supply, and further large orders by the Admiralty. Camouflage nets to the number of 30,000 had also been ordered from Ulster. Orders for approximately 400,000 shirts and 72,000 suits of battle dress had been spread over twelve firms.

SHIPBUILDING

Work is being carried on at full capacity in the shipbuilding yards of Messrs. Harland & Wolff, Belfast, every slip being occupied. In addition, a great contribution has been made to the national war effort by increasing enormously the capacity of the works for the manufacture of guns, mountings and armoured fighting vehicles.

LINEN INDUSTRY

A shortage of flax for the manufacture of goods for export has caused unemployment in branches of the industry other than those engaged on war work. Dealing with this subject in the Ulster House of Commons recently, the Prime Minister of Northern Ireland pointed out that, owing to the cutting-off of communication with those European countries which supplied Northern

Ireland with flax before the war, the spinning mills could not obtain sufficient raw material to keep them running full time. In Northern Ireland only enough flax is grown to supply 25 per cent of the normal requirements of the linen industry. Flax could be obtained from Canada and New Zealand, but at the present stage of development in insufficient quantities to make good the loss of supplies from the Continent. The flax-growing experiments in Norfolk, England, and in Ireland, while successful as far as they have gone, have not been carried out on a large enough scale to have an effect on the existing situation. It was also stated by the Northern Ireland Minister of Agriculture that, although his department had aimed at bringing 50,000 acres of flax under cultivation this year, the figure achieved had been only 45,000 acres.

The export trade has been affected by important adverse factors. Export markets have been cut down by the Government to the "hard" currency countries—the United States, Canada, Cuba and the Argentine. Prices are against the booking of orders in those countries, and recently the dollar rate has been altered to the further disadvantage of the linen trade.

Flax, it is expected, will cost 20s. a stone against 8s. or 9s. before the war.

UNEMPLOYMENT

The numbers of unemployed persons of all ages on the registers of employment exchanges in Northern Ireland at July 15, 1940, were 60,126 wholly unemployed, 1,867 normally in casual employment, and 9,417 temporarily stopped, making a total of 71,410. As compared with June, the number of men unemployed decreased by 3,346, largely owing to more employment in building and contracting, agriculture, quarrying, and other outdoor work. The figure was the lowest recorded since September, 1930. On the other hand, owing to depression in the textile and clothing trades, the number of women and juveniles unemployed increased by 7,377 during the month. The total unemployed comprised 36,528 men, 2,483 boys, 29,043 women, and 3,356 girls.

An analysis of the claimants for insurance benefit and applicants for unemployment allowances according to the length of the last spell of registered employment shows that the marked reduction in long-term employment is continuing. As compared with the previous month, there was a net decrease of 3,200 in the number of persons who had been unemployed for three months or more.

COST OF LIVING

The average percentage increases in the cost of living above the level of July, 1914, as estimated by the Ministry of Labour and published in the *Labour Gazette*, have been as follows since 1934:—

	1935	1936	1937	1938	1939	1940
January	43	47	51	59	55	74
February	42	47	51	57	55	77
March	41	46	51	56	53	79
April	39	44	51	54	53	78
May	39	44	52	56	53	80
June	40	44	52	55	53	81
July	43	46	55	59	56	87
August	43	46	55	56	55	..
September	43	47	55	56	55	..
October	45	48	58	55	65	..
November	47	51	60	56	69	..
December	47	51	60	56	73	..

The percentages are based on the average increases in the cost of the various items of food, clothing, fuel, light, etc., combined in accordance with their relative importance in the working-class family expenditure, and indicate the advances over the base-month of July, 1914.

MARKET FOR ZINC SHEETS AND DUST IN SOUTH AFRICA

J. H. ENGLISH, CANADIAN TRADE COMMISSIONER

Johannesburg, September 6, 1940.—Zinc in the form of discs, sheets or dust is an essential commodity in the extraction of gold on the Witwatersrand, the world's largest gold-producing area. Before the war this came from various world sources, including the United Kingdom, the United States and Belgium, but with the outbreak of hostilities in Europe and the unprecedented demand for zinc for war purposes, normal supplies have been interrupted. Owing to the necessity for maintaining Empire gold production at its maximum, some concern has developed, therefore, lest existing sources of supply be further interrupted.

As Canada is one of the major zinc producers, the gold mines in South Africa have naturally turned to the Dominion in the hope of obtaining supplies there, and this move has been encouraged by the general desire to make purchases as far as possible within the Empire and thus assist in conserving foreign exchange. Unfortunately, up to the present neither zinc sheets nor zinc dust of the required specification appears to be produced in Canada. The present, however, is such a favourable opportunity for the establishment of this trade that Canadian manufacturers with suitable facilities should avail themselves of the opportunity of examining the situation.

Originally the electric precipitation method was used for gold extraction on the Rand, but it has been displaced by the cyanide process which is now exclusively used.

ZINC SHEETS

Both of the two principal methods followed in the cyanide process use zinc as the reagent. In one case zinc shavings are used, these being manufactured locally from imported zinc discs or sheets. The use of sheets for this purpose is the more popular for reasons of efficiency, although discs are still used for the production of shavings in some of the older plants.

IMPORTS

According to the official Government returns the imports of zinc sheets by countries during the years 1936 to 1939 were as follows:—

	1939	1938	1937	1936
TotalCentals	41,516	39,357	52,328	43,386
£	49,971	40,865	63,518	38,044
United Kingdom.Centals	2,028	3,947	2,399	1,914
£	5,768	7,204	8,102	5,454
CanadaCentals	70	....	....	168
£	58	....	....	108
BelgiumCentals	26,720	31,165	45,751	31,717
£	29,812	28,775	50,246	24,728
GermanyCentals	1	105	159	142
£	96	389	397	298
NetherlandsCentals	8,254	3,956	....	1,080
£	8,660	3,830	....	744
Poland.Centals	3,360	37	2,459	8,351
£	3,713	30	1,850	6,660
United StatesCentals	1,083	147	1,554	14
£	1,864	637	2,907	52

CONSUMPTION OF ZINC SHEETS AND DISCS

The actual consumption of *zinc sheets and discs* by the leading gold mines of the Transvaal during the past three years was as follows: 1939, 3,005,583 pounds valued at £43,669; 1938, 3,289,938 pounds at £50,839; 1937, 3,694,338 pounds at £47,591.

It will be observed that the consumption has decreased steadily since 1937. This is accounted for principally by the trend to the latest method of gold extraction by the Crow-Merrill process, which requires the use of zinc dust rather than shavings. All new plants being installed, or old plant being replaced, now employ the latest method. Nevertheless, the demand for zinc sheets is still very important and is likely to be so for some considerable time to come.

REQUIREMENTS FOR ZINC SHEETS

The standard requirement for zinc sheets is that they shall be 8 feet long by 3 feet wide by 12 gauge. It is essential that the sheets be exactly 3 feet wide to fit the shaving machines; but a length of 8 feet is not strictly important, variations from 5 feet to 8 feet being permitted. The composition of the zinc is also important. The best sheets are 98 per cent pure zinc with 2 per cent lead. Under existing conditions, zinc sheets are now being rolled by the Steel Corporation in South Africa from zinc produced at the Broken Hill mine in Northern Rhodesia. This is an entirely new development brought about by the war. While the sheets thus produced are proving generally satisfactory, they are being made from electrolytic zinc, which is over 99 per cent pure. It is generally thought that the practical absence of lead retards the gold extraction process, and consequently it is desirable that the zinc should be only 98 per cent pure and the balance lead. Notwithstanding this belief, the pure zinc is understood to be giving satisfactory results.

PRICES

Before the war, zinc sheets were being laid down at the mines in the Transvaal at approximately £35 per ton of 2,240 pounds. At present, quotations for sheets from the United States are as high as £75 to £80 per ton delivered, while local supplies are reported to be in the neighbourhood of £55 per ton.

ZINC DUST

The latest and most up-to-date method used in South Africa in the extraction of gold is the Crow-Merrill process. In this the use of zinc sheets is replaced by zinc dust. Zinc sheets are still used in greater measure than is zinc dust, according to the trade returns of imports and consumption, but the same returns show that the Crow-Merrill process is definitely gaining ground at an important rate.

IMPORTS

The following table shows the imports of zinc fume, dust and shavings into South Africa by principal supplying countries in the four years 1936 to 1939:—

	1939	1938	1937	1936
TotalCents	26,770	19,880	20,910	15,525
£	37,592	30,337	35,198	19,747
United KingdomCents	7,876	5,306	5,965	5,432
£	10,400	8,401	7,747	6,004
Southern Rhodesia . . .Cents	398	446	194	151
£	827	925	403	367
BelgiumCents	577	119	30	....
£	452	120	39	....
YugoslaviaCents	1,342	381	....	....
£	1,200	376	....	....
United StatesCents	16,577	13,628	14,721	9,920
£	24,713	20,514	27,009	13,339

CONSUMPTION

The actual consumption of zinc dust by gold mines in the Transvaal during the past three years was as follows: 1939, 2,250,018 pounds valued at £51,136; 1938, 1,886,898 pounds at £45,261; 1937, 1,401,796 pounds at £38,494.

REQUIREMENTS

As the zinc dust required for this purpose is used for an exact process, it follows that the specifications are rather rigid. These have been generally laid down as follows:—

Chemicals.—The zinc dust must be guaranteed to contain 95 per cent uncombined metallic zinc, and not less than 3 per cent lead.

Grading.—The zinc dust must pass a 325 screen with a residue of not more than 4 per cent. The dust must be perfectly free from flakes.

PACKING

Zinc dust, as the statistics quoted show, is at present imported chiefly from the United States. But from whatever source, it is desired that packing be in heavy-grade steel air-tight drums, encased in plywood. The drums should contain 100 pounds net weight of zinc dust, and the containers must be of ample strength to withstand rough handling in transit.

PRICE

The current price is approximately $7\frac{3}{4}$ pence per pound, less $2\frac{1}{2}$ per cent delivered to mines' stores on the Witwatersrand. Quotations should include a sufficient margin to allow for handling, commission, etc., by the agent.

SOUTH AFRICA'S GOLD PRODUCTION

The importance of the South African gold industry to South Africa, and to the present Empire war effort, is shown by the fact that the Transvaal was responsible for no less than 32·7 per cent of the estimated world production of gold in 1939. The production in recent years as recorded by the Transvaal Chamber of Mines, is as follows: 1920, 7,949,585 fine ounces; 1930, 10,245,786; 1935, 10,564,904; 1936, 11,117,327; 1937, 11,734,553; 1938, 12,161,375; 1939, 12,821,061; January-June, 1940, 6,901,019 fine ounces.

ZINC CONSUMPTION IN SOUTHERN RHODESIA

Southern Rhodesia also is a growing producer of gold, the recovery being 804,218 fine ounces in 1937, 814,078 fine ounces in 1938, and 795,613 fine ounces in 1939.

The mines' consumption of zinc sheets, dust and shavings in Southern Rhodesia in the last four years was as follows:—

	Zinc Sheets		Zinc Dust and Shavings	
	Centals	£	Centals	£
1939	11,320	12,310	1,707	2,058
1938	9,797	10,542	1,486	1,980
1937	12,018	14,206	1,210	2,004
1936	14,667	12,824	....	....

TOBACCO PRODUCTION IN SOUTHERN RHODESIA

J. H. ENGLISH, CANADIAN TRADE COMMISSIONER

Johannesburg, September 6, 1940.—Southern Rhodesia has just produced and marketed the largest crop of flue-cured tobacco in its history. The present year's crop, which has been sold through the Colony's tobacco auctions, amounted to 33,761,436 pounds. This quantity compares with only 21 million pounds in 1939.

Under present legislation, the crop, with a few relatively minor exceptions, must be sold over the controlled auction floors of the Association. This method of marketing was introduced into Southern Rhodesia a few years ago, and ever since its inception has proved highly satisfactory, particularly as regards the cash price returned to the growers. The system is based closely on the auction-floor method of selling used in the United States; in fact, the auctioneer in charge was brought especially from the United States for the purpose. Not only has the auction system proved a success from the point of view of the Government and the growers, but also from that of the leaf buyers, who come each year to the Colony from the United Kingdom in large numbers.

MARKETING CONDITIONS

Prior to the introduction of the auction-floor method of selling, prices as low as fivepence up to sevenpence per pound were not infrequent. Under the present method, and with the constantly improving quality of the leaf itself, prices have gradually improved until during the present season the average cash price on the floor was 12.43 pence per pound. This favourable result was aided in no small manner by the general high quality of the present year's crop. Of particular assistance, however, in obtaining these high prices, was the necessity for the United Kingdom market to get its tobacco supplies from Rhodesia, owing to the complete ban on imports of tobacco into the United Kingdom from the United States and the restriction placed upon imports from Canada. United Kingdom manufacturers turned to Southern Rhodesia as one of the few unrestricted sources of supply. Consequently, despite a reduction in shipments of tobacco to the Union of South Africa from the normal quantity of three million pounds to only slightly more than one million pounds this year, Southern Rhodesia was able to dispose of its whole crop at particularly advantageous prices. The average price obtained in 1939 was 10.11 pence.

Practically all of the tobacco marketed was purchased by United Kingdom buyers, with the exception of the quantity mentioned as having been sold to South Africa. An interesting feature, however, was the development of some purchasing on behalf of Australia, although no figures are yet available to indicate the quantity of leaf involved.

ACREAGE AND YIELD

The 1940 crop was produced on 62,230 acres, which was a larger area than planted in any previous year. However, the 1940 planting was only 2,730 acres greater than in 1939, the large volume of leaf produced resulting from an excellent growing season. The average yield per acre as compared with Canadian standards was poor, being only approximately 550 pounds, but it was considered good for the Colony as a whole. In some areas the yield amounted to over 1,000 pounds per acre, which is understood to be far in excess of figures previously recorded.

The total price realized for the whole flue-cured crop was £1,748,179 as compared with only £882,396 for the 1939 crop.

The United Kingdom was credited with supplying in 1939 goods valued at £304,073 or 42·5 per cent of the value of total imports as compared with £349,872 (44·1 per cent) in 1938. Imports from other Empire countries amounted to £48,891 (6·8 per cent) as against £49,203 (6·2 per cent). The leading suppliers were South Africa, with shipments valued at £12,649 (1·8 per cent) as compared with £10,664 (1·3 per cent); India, £11,919 (1·7 per cent) and

£11,480 (1.5 per cent); Southern Rhodesia, £9,320 (1.2 per cent) and £9,586 (1.2 per cent); and Canada, £5,950 (0.8 per cent) and £6,209 (0.8 per cent) were the other important suppliers.

Foreign countries were the sources of imports valued at £362,427 (50.7 per cent) in 1939 as compared with £394,905 (49.7 per cent) in the previous year. Leading foreign suppliers were: Japan, £186,491 (26.1 per cent) in 1939 and £225,060 (28.3 per cent) in 1938; the United States, £46,695 (6.5 per cent) and £36,385 (4.6 per cent); Iran, £30,694 (4.3 per cent) and £30,019 (3.8 per cent); and Portuguese East Africa, £19,332 (2.7 per cent) and £15,886 (2.0 per cent).

DISPLACEMENT OF IMPORT TRADE

During 1939 Nyasaland imported goods valued at £61,680 (£56,324 in 1938) from Germany, France, Belgium, Holland and Italy. The values of imports from each of these countries were: Germany, £18,983 in 1939 (£18,560 in 1938); France, £14,586 (£5,601); Belgium, £10,385 (£14,462); Holland, £9,937 (£10,827); Italy, £7,789 (£6,874).

Such articles as cotton blankets, cotton piece-goods, textiles, beads, sewing machines, aluminium ware, hardware, haberdashery, tools, kaffir hoes, and electrical goods were included in that share of the import trade obtained by Germany. Principal commodities imported from France were blankets, tires and tubes, cotton piece-goods and wines. Belgium's share of the trade was made up mainly of blankets, galvanized sheets, nails, screws and rivets, and plate and sheet glass. Holland furnished cotton blankets, cotton piece-goods, cheese, hollowware, beer and fertilizer, and Italy was an important source of supply for wines, beads, textiles and haberdashery.

In addition to these five countries, other European countries, including Czecho-Slovakia, Norway and Sweden, from whom imports were forthcoming in lesser quantities, have ceased to be sources of supply for the Protectorate's essential imports. It is not suggested that Canada is in a position to make up the entire or a major part of the deficiency; but there are certain items, such as hardware, tools, kaffir hoes, nails, screws, rivets, haberdashery, aluminium ware, tires and tubes, and blankets, formerly obtained from Europe, which might conceivably be supplied from Canada. In fact, Canadian exporters are now obtaining business in these particular articles with Nyasaland's neighbouring colonies, Southern and Northern Rhodesia.

The population of Nyasaland is predominantly native, and therefore imports consist of cheap articles for this trade. There is no volume of business in medium-priced and luxury lines, so if Canada's exports to Nyasaland are to be increased it is the native market which must be reached.

TRADE WITH CANADA

Imports from Canada into Nyasaland in 1939 were valued at £5,950 (0.8 per cent) as compared with £6,209 (0.8 per cent) in 1938 and £7,908 (1.9 per cent) in 1937. The principal items making up this total were: motor car parts and accessories, £1,119 (£799 in 1938); motor cars, £997 (£1,415); motor trucks and vans, £997 (£2,541); tires and tubes, £945 (£21); wheat and wheat flour, £606 (£432); provisions, £272 (£201); tobacco shooks, £267 (nil); timber, £240 (£109); apparel, £103 (£260). Domestic exports to Canada were valued at £179 in 1939 as compared with £722 in 1938; the total in 1939 being made up of groundnuts and in the previous year entirely of tea.

MARKET CONDITIONS IN MEXICO FOR INDUSTRIAL ELECTRICAL EQUIPMENT AND HOUSEHOLD APPLIANCES

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

(One peso equals approximately \$0.22½ Canadian; one kilo equals 2.2 pounds.)

Mexico City, October 7, 1940.—The use of electric power in Mexico is of prime importance in view of the expense of transporting coal in that country. The elevation of the land and the narrowness of its coastal plains create falls and rapids which can be developed as sources of water power. The flow, however, of the Mexican streams is intermittent, necessitating storage reserves. Further, because of the sharp contrast in the amount of precipitation between the dry and rainy seasons and the comparatively short course of the rivers, more hydro-electric power is available during the wet than the dry season.

There are in Mexico some 11,059 power plants with a total generating capacity of around 630,000 kilowatts, and 396 of these plants are engaged in producing power for commercial use. There are 424 private plants, the others being mixed. The production of energy by public and private plants in 1937 was 2,089,338,197 kilowatt hours (public) and 390,482,213 kilowatt hours (private). The motive power in nearly all cases is hydro-electric.

STANDARDS AND SPECIFICATIONS

Sixty per cent of the commercial current sold in Mexico is handled by the *Compania de Luz y Fuerza Mortriz, S.A.*, whose head office is the Mexican Light & Power Company, 125 King Street West, Toronto. Another 25 per cent is carried over the lines of the various companies controlled by the *Empresas Electricas Mexicanas*.

The standards for installations and wiring in Mexico are high, being controlled by the *Sección de Control Eléctrico* of the National Economy Department, and the specifications are largely based on those in force in the State of Wisconsin in the United States. Canadian equipment and installations are accepted.

At present Mexican plant capacity is not sufficient to take care of the current needs of the country. The consumers' voltage is held wherever possible to plus and minus five per cent. Because of the overload conditions prevailing, manufacturers of equipment for this market should, where feasible, equip apparatus with thermal-controlled devices for breaking the connection at a predetermined temperature. This applies particularly to electric refrigerators and washing machines.

INDUSTRIAL ELECTRICAL EQUIPMENT

Imports of industrial electrical equipment into Mexico are predominantly from the United States.

MOTORS AND GENERATORS

The importations of motors and generators into Mexico are listed under the following items: (a) motors and generators up to 10 kilos; (b) motors and generators weighing more than 10 kilos and not over 100 kilos; (c) those weighing more than 100 kilos.

Electric motors and generators are not specifically mentioned. In fractional horsepower motors the prices of United States products were competitive with

German and Swedish. However, in motors ranging in horse-power from 3 to 20, the price of the Swedish factory SKF is considerably lower than offers from North America. For example, quite recently a number of Swedish generators were imported from Sweden by Russia into Mexico owing to the difficulty of shipping direct via the Atlantic. Despite the heavy freight charges which must have been incurred, these Swedish generators were landed in Mexico via Russia cheaper than those offered by United States firms.

Now that the German competition, largely AEG and Siemens, has been cut off by the war, the United States has a clear field except in the type of motor supplied by Sweden.

In 1937 the United States shipped 256 units of motors of $\frac{1}{2}$ h.p. and under, 462 units over $\frac{1}{2}$ h.p., 1,302 units of stationary motors of 100 to 200 h.p., and 41 units stationary motors of over 200 h.p. There was also a considerable importation from the United States of motor parts and accessories.

BATTERIES

Storage batteries are manufactured within the Republic, production being protected by a substantial import duty. In the automotive field the market for batteries is completely controlled by Mexican manufacturers. On the other hand, storage batteries for industrial uses and farm lighting sets are imported from the United States. In the past the United States has controlled the automobile-battery wooden separator trade. Canadian firms should be able to compete in this business.

In the Mexican customs tariff nine items pertain exclusively to dry- and wet-cell batteries and parts. Zinc and copper plates come almost exclusively from the United States. Containers for dry-cell batteries are also of United States origin. The leading manufacturers of dry batteries in Mexico are the National Carbon Ever-Ready, S.A. and the Bond Electric Corporation of Mexico, S.A. Wet-cell batteries are manufactured in Mexico by four firms. Germany formerly supplied a number of carbon electrodes for batteries.

MEASURING INSTRUMENTS

The United States and Canada have in the past controlled the trade in meters and other electrical measuring instruments used in Mexico.

GENERAL SUPPLIES

Imports of babbitt and solder pots, portable electrical tools, battery-charging motor-generating sets, arc welding sets, glue pots and similar equipment are all of United States manufacture.

The quantities imported cannot be ascertained, as they are not specifically mentioned in the Mexican official statistics.

WIRING SUPPLIES

Up to the beginning of the war Germany competed with the United States in supplying switches, sockets, plugs, fuses and receptacles. In some of these items Japan has made great headway. That country was already taking business in sockets from Germany before the war; in fact, in those of composition material Japan is predominant among suppliers to the Mexican market. Japanese prices in these lines are at least 50 per cent under North American prices, but the quality of the products is poor. Japan is making a strong effort to obtain the market in Mexico for household wiring devices.

Japanese goods are handled generally by small importers and retailers. The bulk of the consumers in Mexico consider only the initial cost and disregard lasting quality. Maintenance is one of the most neglected features in Mexico.

In the electric-bell trade Germany controlled the business in indicator boards and pushes before the war and also predominated in electric bells and batters. Japan, also a supplier, is now endeavouring to obtain the German share of this trade.

X-RAY EQUIPMENT

The bulk of X-ray equipment sold in Mexico is of United States manufacture. Just before the war Germany was making serious inroads in this line, her prices being at least 10 per cent lower. In sun lamps the United States has always predominated. Violet-ray equipment is now wholly of United States origin, as Germany has disappeared from the market.

LAMPS

About 2,500,000 units of filament glow lamps, each weighing up to 5 grams ($\frac{1}{8}$ ounce approximately), are imported annually. Japan is supplying an increasing percentage. Just before the war, however, Germany made inroads into this trade, as in all other electrical lines, by means of her bartering agreements, Aski marks, etc. Although Mexico has three organizations manufacturing incandescent lamps, protected by a high duty, apparently Japan can still sell at prices lower than those quoted for the domestic product. In larger lamps of the same type the United States is the leading supplier. The Japanese are now increasing their efforts in this market in order to obtain mercury, scrap iron and gasoline from Mexico.

The arc-lamp trade is small and is controlled by United States manufacturers. The same applies to gas or mercury-vapour lamps.

WIRE

The Consolidada, S.A. in Mexico City draws both bare and insulated wire. Canada, however, is now shipping substantial quantities of wire to this market, as is also the United States. Canadian firms have apparently obtained a share of the pre-war German business.

Germany was an important supplier of "wire of common metals and alloys thereof, insulated but not armoured," over half the Mexican imports of this type of wire coming from that country despite the fact that the United States again became a strong competitor in 1937. Total imports of armoured wire of this type are much smaller. These formerly came from Italy and Germany as well as from the United States.

Cable is also manufactured by the above-mentioned Mexican factory, but there are large imports of both the armoured and unarmoured type. Germany was formerly the chief source of supply, and Canada has taken over a good share of this trade. Underground cables seem to be almost entirely supplied by one well-known United States manufacturer. It is reported that there will shortly be a large demand for this type of cable for improved airport lighting as part of the Pan-American defence scheme.

The selling of cable wire should be handled through importers who employ old linesmen. These men, with their practical knowledge of difficult line problems, are of great advantage to the firm employing them.

Besides the Consolidada there are four other local factories in Mexico manufacturing wire. Lamp cord is also made in Mexico, but Japan is now the principal foreign source of supply. Conduits are likewise manufactured in

Mexico; they also were imported from Germany. United States prices are 25 per cent higher than those quoted for the domestic product. The best opportunity is in the heavier conduit and fittings, as these are used not in domestic installations but in Mexico's many mines, which need absolutely reliable material.

TELEPHONE EQUIPMENT

There are in Mexico two main telephone systems, the *Compañía Telefónica y Telegráfica Mexicana* and the *Empresa de Teléfonos Ericsson, S.A.* The majority of offices in the capital of the Republic are equipped with both telephones. The *Compañía Telefónica y Telegráfica Mexicana* is a subsidiary of the *International Telephone and Telegraph*, and controls directly or indirectly a large interest in the other company. The Government has from time to time attempted to effect a combination of the two systems.

STREET-LIGHTING EQUIPMENT

For various reasons this business is almost entirely local and offers no opportunity for exporters.

POWER-PLANT EQUIPMENT

Current political conditions in Mexico do not tend to encourage heavy investment in plant. Purchasers of electrical generating equipment consequently limit most of their purchases to replacements rather than provide for extensions. The expropriation of the private oil properties by the Mexican Government has diverted foreign capital for electrical exploitation from the Republic to other fields.

Just before the outbreak of the present European war, Germany was a keen competitor of the United States in the sale of power-plant equipment; at present the latter country controls the market. There are many reasons for this, chief among which is the juxtaposition of the two countries. Mexican engineers are trained along American lines and are familiar with the engineering specifications in use in the United States. Canadian firms should note that not only standards established by the American Institute of Electrical Engineers but also those of the British Standards Institutions can be employed. The *Compania Mexicana de Luz y Fuerza Motriz, S.A.* issues its own specifications which may be obtained by Canadian manufacturers on request.

Before the war Germany could undersell the United States in small generators up to 250 k.v.a. Sweden has been and is still, despite transportation difficulties, the supplier of lowest priced transformers, particularly those developing from 25 k.v.a. to 200 k.v.a. In large transformers quotations by the Swiss firm of *Brown-Bovari* were lowest. These larger transformers, however, are not now being received from Switzerland owing to the war.

Canadian manufacturers in a position to compete with United States firms will find Mexico an interesting but limited market owing to the cautious attitude adopted by local purchasers in view of world conditions.

IMPORT DUTIES ON INDUSTRIAL EQUIPMENT

The following are the Mexican duties on transmission and distribution line equipment:—

	Pesos per Kilo Gross Weight
Wire of copper or its alloys, having one single filament, 1 mm. in diameter, tinned or paper covered, with insulating covers made of rubber, cotton or asphalt	0.90
Wire of copper and its alloys, having one single filament, more than 1 and up to 5 mm. in diameter, tinned or paper-covered, with rubber, cotton or asphalt insulating covers	0.90

DUTIES ON TRANSMISSION LINE EQUIPMENT—*Concluded*

	Pesos per Kilo Gross Weight
Wire of copper and its alloys, having one single filament, more than 5 and up to 10 mm. in diameter, tinned or paper-covered, with rubber, cotton or asphalt insulating covers	0.70
Wire of copper and its alloys, having one single filament, more than 10 mm. in diameter, tinned or paper-covered, with rubber, cotton or asphalt insulating covers	0.60
Cables of copper and its alloys, formed by twisting from 2 up to 10 filaments, tinned or paper-covered, with rubber, cotton or asphalt insulating covers	0.80
Cables of copper and its alloys, formed by twisting more than 10 and up to 20 filaments, tinned or paper-covered, with rubber, cotton or asphalt insulating covers	1.00
Cables of copper and its alloys, formed by twisting more than 20 filaments, tinned or paper-covered, with rubber, cotton or asphalt insulating covers	1.10
Cables lined with rubber and layers of cotton, not weatherproof or asphalted, formed by twisting from 2 up to 10 filaments	1.00
Wire of common metals and its alloys thereof, insulated and armoured	0.07
Bare wire of copper and its alloys, being one single strand 1 mm. in diameter	0.80
Bare wire of copper and its alloys, being one single strand of more than 1 and up to 5 mm. in diameter	0.70
Bare cable of copper and its alloys, formed by twisting from 2 up to 10 strands	0.60
Cable of common metals and alloys thereof, insulated and armoured	0.08
Cross-bars or cross-pieces, of iron or steel, for aerial conducting wire	0.10
Pins of iron or wood, for aerial conducting wire	0.10
Insulators of clay, faience, porcelain or glass, with pins or parts of metal	0.10
Insulators of clay, faience, porcelain or glass, without pins or parts of metal	0.05
Posts of iron or steel for aerial electric lines	0.09
Towers and lattice poles (esqueletos) of iron or steel, for aerial electric lines	0.09
Accessories and materials, not specified, for the supporting or connection of electric conducting lines	0.10
Electric transformers, each weighing more than 100 kilos	0.08
Electric transformers, each weighing up to 100 kilos	Pesos per Kilo Gross Weight 0.40

The following is the tariff for the chief items on generators and switchgear equipment:—

	Pesos per Kilo Gross Weight
Machines and apparatus, forming together an installation for the generation of electrical energy for use as driving force for heating or lighting purposes, except batteries and cells, also material used for the transmission of energy	Exempt
Turbines of all classes	0.04
Switchboards of fireproof materials, with electric apparatus, each weighing more than 75 kilos	0.15
Apparatus for measuring electrical units, each weighing up to 25 kilos	0.60
Apparatus for measuring electrical units, each weighing more than 25 kilos	0.15

Motors and generators are dutiable as follows:—

	Pesos per Kilo Gross Weight
Electric motors and generators, each weighing more than 10 kilos without exceeding 100 kilos	0.08
Electric motors and generators, each weighing more than 100 kilos	0.07

ELECTRICAL HOUSEHOLD APPLIANCES

WASHING MACHINES

In recent years, owing to an intensive advertising and demonstrating campaign undertaken by manufacturers in the United States, the sale of washing machines in Mexico has increased considerably. In the past the United States supplied practically the whole market, imports therefrom, in 1936 amounting to 3,728; by 1937, the latest year for which figures are available, this had increased to 6,495 units.

The increase in the sales of washing machines in Mexico is attributable to the great difficulty in maintaining servants under the new Labour Law. Furthermore the conditions under which washing is undertaken when sent out of the home has encouraged housewives to install washing machines.

DISH-WASHING MACHINES

Apartments in Mexico City have generally such a small kitchenette that there is no market for household dish-washing machines. The poor quality of the porcelain in use and the untrained type of female servants employed are also two factors which adversely affect the adoption of dish-washing machines in ordinary homes.

WATER HEATERS

Siemens and the A.E.G. manufacture in Mexico hot-water heaters from imported German materials. Tank-type water heaters are brought in from the United States to a limited extent. The American imported tank-type water heaters are much preferred and are far more satisfactory than the locally manufactured product. Another type of hot-water heater, consisting of two carbon electrodes electrically connected by the body of water to be heated, is manufactured in Mexico with success. This heater, which is protected by Mexican patents, is often installed as an integral part of an apartment. The price ranges from \$10 to \$30 Canadian currency.

Lack of current is the chief handicap to the sale of water heaters. While the cost of electric current is not high in Mexico, a proposed increase in rates is not likely to encourage the use of electric water heaters.

Faucet-type water heaters are not used to any extent.

ELECTRIC FANS

Imports of electric fans for domestic use totalled 30,409 kilos in 1936, 40,191 kilos in 1937, 35,421 kilos in 1938, and 63,125 kilos in 1939. The United States supplies over 90 per cent of total imports. Up to the outbreak of the war Germany was second in importance as a supplier. For the low-priced fan German and United States quotations were very competitive. In the higher quality fan the American type is outstanding. Ventilating fans are used to only a limited extent in hotels and restaurants. Modern apartments in Mexico do not include electric kitchen ventilators.

DOMESTIC HEATING APPARATUS

For heating purposes the reflector heater is in general use throughout Mexico, the most popular type being made entirely of metal. It has a resistance element coiled about a cone placed in the centre of a concave reflector. These reflector heaters retail at from \$2 Canadian up, but the cheaper grades are not altogether satisfactory. The higher-priced heaters are quoted at \$5 to \$6. These are far more satisfactory and are practically all from the United States. In addition to the concave reflector heater, a small radiator, standing on four short legs and having resistance on both sides of a dividing metal reflector, is also in use.

The sale for domestic heater apparatus is chiefly confined to the mountain plateaus that run through the middle of Mexico. This product is, of course, not sold along the tropical coast, but is a convenience in the capital and other places with similar high altitudes.

ELECTRIC IRONS

Before the war the United States supplied 70 per cent, Germany 20 per cent and Japan 9 per cent of all the electric irons in use in Mexico. Many American manufacturers are represented by local branches. The United States supplied to Mexico a total of 23,796 electric irons in 1938 and 32,803 irons

in 1937. Total imports from all countries amounted to 89,693 kilos in 1938 and in 1939 to 101,672 kilos. These heavy increases are the result of large imports during 1938 and 1939 from Germany, which threatened to eliminate the United States in the Mexican electric-iron market. While the United States iron is higher in price than the German or Japanese product, it is more durable.

VACUUM CLEANERS

The Swedish Electrolux, combining the floor and hand-type machine, is most favoured in Mexico. In 1937 Sweden supplied 80 per cent, the United States 12 per cent, and Germany 7 per cent of the imports. While the Swedish product is slightly higher in price than the United States machine, sales have benefited from aggressive distribution methods through house-to-house canvassing by well-trained salesmen. It is sold at around \$75 Canadian and has held the market.

Total imports of vacuum cleaners into Mexico amounted in 1938 to 26,892 kilos and in 1939 to 38,939 kilos.

KITCHEN EQUIPMENT

It is not possible to determine accurately from Mexican statistics the specific imports of ovens, ranges, hot-plates and roasters. Such imports probably comprise two items: (a) units weighing up to 40 kilos; and (b) units weighing over 40 kilos.

In the lighter weight Germany before the war was making great headway against the United States. According to the United States' figures, exports to Mexico in 1937 were 2,466 units of electric domestic utensils and 826 units of electrical cooking ranges. All fruit-juice extractor and drink-mixing apparatus of the electric type are imported from the United States. There is some sale for food mixers, meat choppers and other small items such as milk-bottle warmers. As a rule, however, domestic servants are too untrained to justify a housewife in investing in complicated modern electrical kitchen equipment. Such as is in use is found among American residents in Mexico. For example, it does not pay to import electric ice-cream freezers when a servant at \$10 (Mexican currency) a month can be employed to use the hand type.

TABLE APPLIANCES

The principal table appliances in use in Mexico are bread toasters and coffee percolators. The United States supplies at least 90 per cent of this market. Japanese percolators and toasters are still offered but are not satisfactory. The stock of German appliances is gradually being exhausted. In regard to electric percolators, the drip coffee pot is required for coffee Mexican style.

According to the Mexican tariff, electric toasters are classified under two items: (a) up to 40 kilos; and (b) over 40 kilos. It is possible that the second-class covers industrial appliances and restaurant units. United States suppliers will no longer have to meet competition from German toasters and have a monopoly of the market.

Specialties for the table, such as casseroles, chafing dishes, drink mixers, egg cookers, waffle irons, corn poppers and sandwich toasters, are sold to a very limited extent and are all from the United States.

ELECTRIC CLOCKS

The sale of synchronous clocks is limited to the Federal District of Mexico. The Cia. de Luz y Fuerza Motriz, S.A., which furnishes the current, controls the frequency to a plus or minus 30 seconds.

DUTIES ON ELECTRIC HOUSEHOLD APPLIANCES

Following are the tariff rates on the principal electrical appliances imported into Mexico:—

	Pesos per Kilo
Electric fans and ventilators, each weighing up to 20 kilos	0.80
Electric heating cushions	2.50
Electric lighters	3.00
Electric irons	0.30
Electric stoves, each weighing up to 40 kilos	1.00
Electric toasters, each weighing up to 40 kilos	1.00
Vacuum cleaners	1.50
	Pesos per Kilo Gross Weight
Electric stoves, each weighing more than 40 kilos	0.15

BRITISH TRADE COMMISSIONERS IN CANADA

Canadian importers and others desirous of obtaining information regarding the export trade of the United Kingdom and Canadian firms desirous of representing British manufacturers in Canada are invited to communicate with the undermentioned:—

The Senior British Trade Commissioner in Canada and Newfoundland, 56 Sparks St., Ottawa. Telegraphic address: "Sencom."

The British Trade Commissioner (for Quebec, the Maritime Provinces and Newfoundland). 1111 Beaver Hall Hill, Montreal, Que. Telegraphic address: "Britcom."

The British Trade Commissioner (for Ontario), 67 Yonge Street, Toronto, Ont. Telegraphic address: "Toroncom."

The British Trade Commissioner (for Alberta and British Columbia), 850 West Hastings Street, Vancouver, B.C. Telegraphic address: "Vancom."

The British Trade Commissioner (for Manitoba, Saskatchewan and Northwest Ontario), 703 Royal Bank Building, Winnipeg, Man. Telegraphic address: "Wincom."

TARIFF CHANGES AND TRADE REGULATIONS

Australia

IMPORT LICENSING OCTOBER-DECEMBER, 1940

With reference to the article on page 532 of *Commercial Intelligence Journal* No. 1915 (October 12, 1940), Mr. S. Laney, Australian Customs Representative in New York, has furnished further particulars regarding Australian import licensing for the three-month period, October 1 to December 31, 1940. Imports from non-sterling countries are subject to reductions from the level of imports of the same goods by the same importer from such countries during the base year ended June 30, 1939, as follows:—

ARTICLES REDUCED 100 PER CENT

Wood naphtha; still wines; cocoa beans and shells; fish, fresh, smoked or dried (but not salted), or preserved by cold process; canned oysters; paraffin wax; lace for attire, lace flouncings, millinery and dress nets, veilings, embroideries in the piece, tucked linens or cottons; dressed feathers, feathers made up into trimmings, natural birds and wings;

handkerchiefs and serviettes of cotton or linen; leaf and foil (except gold leaf); portable typewriters (except replacement parts); mowers (except replacement parts); weighing machines, scales and balances; moulded household electric switches; synthetic resins (with some exceptions); bent, bevelled, enamelled, or silvered glass; glass prisms; glass framed with metal; laminated safety glass; unspecified manufactures of wood (except replacement parts for agricultural implements); toys; cigarette tubes and papers; pen handles; fountain pens; unspecified pencils and pens; pen and pencil cases and sets; high tension ignition coils accompanying motor truck chassis; band and orchestra instruments; spray guns and pumps for paints and similar liquids; brushes of the type used in schools, and artists' brushes; cameras other than for commercial use; X-ray film other than dental; crochet, knitting, mercerized and embroidery cottons put up for household use; sewing and embroidery silks and artificial silks; sewing and embroidery silk and artificial silk twists; diagnostic X-ray units and certain parts therefor; synthetic fibres in short lengths ("staple fibre") having a cellulose or casein base, suitable for spinning, including sliver or tops.

ARTICLES REDUCED 75 PER CENT

Fish in tins or other airtight vessels, other than salmon, sardines and crustaceans; buckles, clasps and slides, for hats, shoes and other attire; buttons, including blanks and those partly finished (except buttons for uniforms and buttons of shell); towels, towelling and terry cloth (except crash, dowlas, forfar, glass cloth, huckaback, kitchen and tea); cotton bath mats; condensers (except electrolytic) for motor vehicles; wireless receiving valves; brooches, bangles, studs, sleeve links and tie clips (except of precious metals or precious stones or imitations thereof); unspecified fancy goods; stationery manufactured principally from paper or board (except Christmas and similar cards); unspecified manufactures of paper and board; unspecified musical instruments.

ARTICLES REDUCED 50 PER CENT

Sardines in tins or other airtight vessels; piece-goods of silk or containing silk or having silk worked thereon (except piece-goods of cotton, or wool, or knitted or lock-stitched, or tapestries); cotton braids, piping, tinsel cloth and belting, tinsel thread; buttons of shell; braids, fringes or edgings, not for attire; sewing-machine heads; unspecified electric heating and cooking apparatus; unspecified electrical and gas appliances; brass, bronze and gunmetal work for engineering, plumbing and other trades; unspecified aluminium ware; oil and spirit heating lamps (except kerosene room heaters); bronzing and metal powders; cloth oil for textile manufacturing, as prescribed; polyvinyl chloride; porcelainware for electrical purposes; unspecified chinaware, porcelainware, and earthenware; vacuum flasks and similar containers and parts of; cements and prepared adhesives, mucilage, liquid glue, belting compound; replacement parts of wood for agricultural implements; dictating machines and records therefor (except replacement parts); exposed or developed films for home cinematographs; unspecified surface-coated paper; marble and foil paper; paper boards for photographic coating; asbestos packing; unspecified packings; unspecified brushes; photographic dry plates and flat films; unspecified sensitized films and papers; lantern slides; imitation gut; buttons for men's apparel (as specified); crude asbestos; erinoid, galalith, artificial horn and the like.

ARTICLES REDUCED 25 PER CENT

Cocoa butter for the manufacture of chocolate; artificial sausage casings; piece-goods (as prescribed) for neckties; hat hoods except felt; hat forms of braid, etc., sewn; files; hand tools principally of metal; turpentine.

CATEGORY CLASSIFICATIONS

Dual control for X-ray apparatus, X-ray film other than dental, and some specified articles of X-ray equipment, are placed in licensing category "D," for which, it has been announced, no import licenses will be issued.

Hongkong

CHANGED DUTIES ON BEER AND TOBACCOS

Mr. P. V. McLane, Canadian Trade Commissioner at Hongkong, reports that a Hongkong Resolution of August 29, 1940, replaced the duty of 80 Hongkong cents per gallon on certain beer by 60 cents on beer brewed in the Colony,

80 cents on Empire beers, and \$1 on foreign beers. The Hongkong dollar equals about 26 Canadian cents. A resolution of September 11, 1940, increased tobacco duties. The new rates in Hongkong currency per pound are: \$1.30 to \$1.50 on Empire unmanufactured tobacco; \$1.50 to \$1.70 on the foreign product; cigars, \$3 if wholly Empire, \$3.50 if Empire manufactured only, and \$4 if foreign; other manufactured tobacco, \$2.20, \$2.60 and \$3.20, respectively.

United States

TARIFF INVESTIGATION RESPECTING CRAB MEAT

The United States Tariff Commission has ordered an investigation under Section 336 of Title III of the Tariff Act of 1930 (flexible provision) with reference to "crab meat, fresh or frozen (whether or not packed in ice), or prepared or preserved in any manner, including crab paste and crab sauce" described in paragraph 721-a of the Tariff Act. The present rate of duty on this item is 15 per cent ad valorem. Imports into the United States have been mainly from Japan and Russia. The investigation is to determine differences in costs of production and related questions in connection with these articles when the growth or product of competing foreign countries and similar articles wholly or in part a product of the United States.

QUOTA ON RED CEDAR SHINGLES

Mr. D. S. Cole, Canadian Trade Commissioner at New York, writes that the United States Bureau of Customs' press release of October 5, 1940, announced that the President's proclamation of August 26, 1940, provides for the imposition of duty at the rate of 25 cents per square on imported red cedar shingles entered for consumption, or withdrawn from warehouse for consumption, in excess of a quota of 2,371,544 squares established for the calendar year 1940.

For the period January 1 to September 28, 1940, the total imports of red cedar shingles amounted to 2,215,210 squares.

In order to provide for the control of the duty-free quota, the United States collectors of customs have been instructed to collect estimated duties at 25 cents per square on such imports during the period October 9 to December 31, 1940, pending fulfilment of the quota.

EXCHANGE CONDITIONS IN EMPIRE AND FOREIGN COUNTRIES

India and Burma

K. F. NOBLE, ACTING TRADE COMMISSIONER

(The current value of the rupee is approximately 33 cents Canadian)

Bombay, July 30, 1940.—The exchange control measures in force in India and Burma on March 1, 1940, were reviewed in *Commercial Intelligence Journal* No. 1889: April 13, 1940.

Since then, a system of import control, applicable to 68 tariff items, designed to direct purchases abroad toward the British Empire and more particularly toward the British Empire sterling bloc, has been established. It became effective from May 20 in India and from June 6 in Burma.

Under instructions of the Reserve Bank of India, which also operates in Burma, exchange either for prepayment or postpayment of purchases abroad is still readily available. The licensed dealers, i.e. Exchange Banks, are authorized to supply funds when satisfied that import licences have been

received (if the product be restricted) or that no import licence is required in the case of unregulated items.

If the amount of non-sterling currency required be in excess of the equivalent of Rs.10,000 or, alternatively, if and when sterling payments to Empire countries outside the sterling bloc are in excess of the equivalent of Rs.10,000, application for the allotment of funds must be supported either by certified copy of the Customs entry form or by declaration that such Customs entry form will be produced on arrival of the goods.

Further provisions have been made for the allotment of non-Empire currencies for "other trade purposes," including the payment of marine insurance premiums, freight, ship's disbursements, commission, royalties, copyrights, film rents, allowances on shipments, normal trade debts, and subscriptions; but the limit for remittance in any one foreign currency by one person during any one month is restricted to a sum not in excess of the equivalent of Rs.2,000. In the case of other business purposes not falling within the above category or when the sum required is in excess of the equivalent of Rs.2,000, consideration will still be given to applications but the licensed dealers have no discretion and must refer the question to the Reserve Bank.

Regulations covering the supply of exchange for use in travel or for support elsewhere than within the sterling bloc have been increasingly rigorous since July 9. No foreign exchange for travelling expenses may be sold without the prior approval of the Reserve Bank of India, except to persons proceeding on government business. Private remittances have also been increasingly restricted, with the previous maximum equivalent to Rs.2,000 per month reduced to Rs.500. Moreover, such lesser sum is allowed only to residents of India whose dependents have already left the country by July 9. No foreign exchange will be allotted for the support abroad of persons leaving after this date.

Payment of life insurance premiums expressed in non-sterling currencies may be approved up to the equivalent of Rs.500 per person per month, provided the policies were in effect before the outbreak of war. Remittances of dividends, allowances, etc., may be allowed, but each application must be referred to the Reserve Bank for specific consideration.

As regards the supply of goods by Canadian manufacturers or exporters, it can be said that no trouble is being encountered, provided the goods are not subject to regulation or, when the goods are subject to regulation, provided the necessary licence has been issued. One point which must be observed, however, is that all drafts in connection with shipments to India and Burma must be alternatively in pounds sterling, rupees, or Canadian dollars. Certain Canadian manufacturers are still attempting to quote in United States funds, but such United States currency will not be made available in settlement by the Reserve Bank.

Finally, Canadian manufacturers and exporters must note that drafts passed for collection through banks in the United States will not receive consideration by the Reserve Bank or its agents, even when drawn in Canadian funds.

Cuba, Dominican Republic, Puerto Rico and Haiti

MAURICE BÉLANGER, ACTING TRADE COMMISSIONER

Havana, September 30, 1940.—In these four countries there are no official exchange restrictions of any kind in force which might affect the collection of bills drawn on importers therein by persons abroad, and the former can obtain foreign exchange requirements freely for shipments from Canada.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING OCT. 21, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, October 21, 1940, and for the week ending Tuesday, October 15, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending October 15	Nominal Quotations in Montreal Week ending October 21	Official Bank Rate
Finland	Markka	.0252	\$.0219	\$.0219	4
Great Britain	Pound	4.8666			
		Buying	4.4300	4.4300	2
		Selling	4.4700	4.4700	—
Greece	Drachma	.0130	.0073	.0073	6
Hungary	Pengo	.1749			
		Official	.3227	.3227	4
		Unofficial	.2149	.2149	—
Yugoslavia	Dinar	.0176	.0249	.0249	5
Portugal	Eseudo	.0442	.0442	.0442	4-4½
Roumania	Leu	.0060	.....	.....	3½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2645	.2644	3½
Switzerland	Franc	.1930	.2573	.2573	1½
United States	Dollar	1.0000			
		Buying	1.1000	1.1000	1
		Selling	1.1100	1.1100	—
Mexico	Peso	.4985	.2260	.2262	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.....	.....	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.....	.....	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
		Official	.3304	.3304	3½
		Free	.2620	.2636	—
Brazil	Milreis (Paper)	.1196			
		Official	.0673	.0672	—
		Free	.0557	.0557	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
		Official	.0573	.0573	3-4½
		Export	.0444	.0444	—
Colombia	Peso	.9733	.6326	.6326	4
Peru	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
		Controlled	.7307	.7307	—
		Uncontrolled	.4187	.4207	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.6000	4.6000	—
China (Shanghai)	Dollar	.....	.0633	.0633	—
Hongkong	Dollar	.....	.2541	.2543	—
India	Rupee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.....	.....	—
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5760	3.5760	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds continued unchanged at \$4.43-\$4.47 and \$1.10-\$1.11 respectively during the week ended October 21. In the same interval sterling free market rates at New York eased irregularly from \$4.04 on October 14 to \$4.03 on the 18th where they remained for the balance of the week. The Canadian dollar touched 87½ cents at New York on the 16th compared with 86½ cents on the 14th and a closing rate of 86½ cents. At Montreal quotations for the Swiss franc, following several weeks of almost continuous advance, closed unchanged at 25.73 cents. Latin-American units, despite unfavourable trade returns, were strong, reflecting the flow of "refugee" funds to these countries.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Hosiery, Golf and Sport.....	642	Pasadena, California.....	Agency.
Shoes, Men's.....	643	Pasadena, California.....	Agency.
Blankets, Pure Wool.....	644	Pasadena, California.....	Agency.
Picking Bands for Textile Mills..	645	Mexico City, Mexico.....	Agency.
Fibre Card Cans for Textile Mills	646	Mexico City, Mexico.....	Agency.
Hypodermic Ampoules.....	647	Mexico City, Mexico.....	Agency.
Lactic Acid.....	648	Mexico City, Mexico.....	Agency.
Plywood.....	649	Lima, Peru.....	Purchase and Agency.

COMMERCIAL INTELLIGENCE SERVICE

H. W. CHENEY, *Acting Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: G. R. HEASMAN, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL

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No. 1918



Canadian Certified Seed Potatoes Being Loaded for Export

ISSUED BY AUTHORITY OF
THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE
L. D. WILGRESS, DEPUTY MINISTER



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Vol. LXIII

Ottawa, November 2, 1940

No. 1918

UNITED KINGDOM OVERSEAS TRADE IN AUGUST

FREDERIC HUDD, CHIEF CANADIAN TRADE COMMISSIONER
IN THE UNITED KINGDOM

London, September 27, 1940.—The official summary of the external trade of the United Kingdom for the month of August indicates that, apart from the losses sustained as the result of the collapse of a large part of the Continent of Europe, a recovery is setting in. Exports of British goods during the month were valued at £32,554,729 as compared with £31,189,244 in July, an advance of £1,365,485 or 4 per cent. In August, 1939, when British goods were flowing more or less freely to all countries, exports amounted in value to £37,076,974, so that the reduction this year was £4,522,245 or 12 per cent, which in the circumstances is considered as satisfactory as could be expected.

Under the impetus of the program for heavy purchasing of essential war materials, imports were maintained at the high level of £95,019,856, which was an increase of £8,012,326 or 9 per cent over the previous month of July and of £13,946,737 or 17 per cent over August, 1939.

IMPORTS

A comparison of the table of imports with that for August, 1939, shows that food, drink and tobacco as a group expanded last month by only 1 per cent in value, an increase which reflects the Government's policy of restricting imports of non-essentials. Imports of grain and flour at £9,938,918 were 97 per cent greater than a year ago; but offsetting this increase there was a decline of £3,577,701 or 50 per cent in dairy produce. The value of meat purchases from abroad was slightly higher at £9,503,938; but purchases of fresh fruit and vegetables at £1,372,317 contracted by 45 per cent, and imports of tobacco at £1,176,805 were down by 13 per cent.

Imports of raw materials were entered at £28,679,491, a rise of 27 per cent. Most items in the list shared in the increase. Receipts of wool, valued at £6,362,897, were nearly double those of a year ago and imports of rubber at £22,573,676 were three times as great. Imports of non-ferrous metals at £2,845,693 exceeded those of the corresponding month last year by 61 per cent and purchases of raw cotton at £2,396,966 were higher by 49 per cent. Wood and timber imports (£5,101,374) fell by 10 per cent and hides and skins (£1,040,908) by 34 per cent.

Arrivals of manufactured goods as a whole totalled £30,754,423 in value, increasing by 30 per cent. The biggest contributors to this advance were iron and steel and manufactures which, at £5,364,803, went up 152 per cent; non-ferrous metals and manufactures at £6,288,349, up 89 per cent; and machinery at £2,673,472, higher by 17 per cent. On the other hand, there were substantial

reductions of 64 per cent in hardware lines (£208,094), 94 per cent in silk manufactures (£23,680), 81 per cent in apparel (£112,197), and 65 per cent in footwear (£114,624).

EXPORTS

As regards exports, the figure for food, drink and tobacco at £2,725,970 represented a reduction of 17 per cent as compared with August, 1939. Shipments abroad of beverages, valued at £1,696,609, also decreased by 17 per cent.

Exports of raw materials, valued at £1,686,913, declined by 62 per cent. This was due very largely to the heavy fall in exports of coal and was caused by the closing of Continental markets. Shipments of coal were valued at £1,218,979, a reduction of 58 per cent.

Exports of manufactured goods, valued at £27,604,896, fell by only 3 per cent. Increases were recorded of 35 per cent in shipments of pottery and glass (£1,101,733), 38 per cent in those of electrical goods and apparatus (£1,299,417), 54 per cent in silk goods (£818,913), and 14 per cent in chemicals and drugs (£2,200,641). Exports of iron and steel and manufactures (£2,403,056) decreased by 13 per cent, those of woollens (£2,419,598) by 8 per cent, and shipments of vehicles (including ships and aircraft) by 28 per cent.

Mr. SYKES' TOUR OF CANADA

Mr. Paul Sykes, Canadian Trade Commissioner at Bombay, India (whose territory includes Burma and Ceylon), is on tour in the Dominion in the interest of Canadian trade with his territory.

Mr. Sykes will be in Montreal, for Montreal and district, from November 4 to 20, and in Ottawa, for Ottawa and district, from November 21 to 23. The visit to Ottawa will conclude his tour.

Firms in Montreal and district who wish to be brought in touch with the Trade Commissioner should communicate with the Montreal Board of Trade.

UNITED KINGDOM PURCHASE TAX

FREDERIC HUDD, CHIEF TRADE COMMISSIONER IN THE
UNITED KINGDOM

London, October 2, 1940.—The regulations governing the new United Kingdom purchase tax, which comes into operation on October 21, have now been published. As will be seen from the following resumé of its operation, of its incidence and of the administration of collection, the tax is similar in many respects to the Canadian sales tax. It will not directly affect Canadian firms shipping goods to the United Kingdom, although in certain circumstances the tax is chargeable at the time of importation. A number of Canadian exporters, however, maintain branches or agents in the United Kingdom who may be required to register as taxable undertakings and the official details given below will be of interest to such concerns.

The Finance (No. 2) Act, 1940, provides for the charge of "purchase tax" on purchases of certain goods. The classes of goods concerned and the rates of tax payable are shown in the list at the end of this report.

In general, liability to tax arises when the goods pass from the wholesaler to the retailer. Manufacturers and wholesale merchants dealing in chargeable goods will be registered; and this will enable them (except as described below)

to deal with one another freely in the goods, or to export them, without incurring liability to tax. Tax becomes chargeable when the goods are sold by the registered manufacturer or wholesaler to an unregistered person, generally the retailer, or to the public, where there is no retail stage.

In all cases, whatever the nature of the transaction, tax will be chargeable on the "wholesale" value of the goods as explained below.

SALES BY REGISTERED PERSONS

The tax is essentially a consumer's tax levied at the wholesale-retail stage. The right of a registered firm to buy tax free is therefore limited to cases where the goods are bought (a) as *materials* for making other goods or (b) as *stock* for wholesale trade. If the registered firm is buying as a consumer, e.g., if the goods are required as office equipment in the firm's office, tax is payable just as if they were being bought by an unregistered person.

Further, where a registered manufacturer or wholesaler maintains separate retail shops or departments, the latter must be treated like other retail shops for purchase tax purposes, and tax will be chargeable when the goods are transferred to them from the factory or warehouse.

IMPORTED GOODS

Imported goods are included in the scope of the tax in the same manner as home-produced goods. Goods imported on purchase by a registered person as materials or stock (as described above) will be delivered to him tax free on his furnishing a declaration with the customs entry. In any case of chargeable goods imported on purchase by an unregistered person, tax will be charged at the time the goods are cleared through the Customs, or if the goods are imported on consignment for sale, security for payment of the tax when the goods are sold will be required.

The tax will apply only to purchases of imported goods cleared for home consumption in the United Kingdom; it will not apply while the goods remain in bonded warehouse or to goods in transit or transhipment.

EXPORTED GOODS

Goods exported by a registered person will be free of tax, whether he is exporting on his own account or on behalf of a retailer to fulfil an export order. Where the retailer finds it necessary to export from his own stock, any tax payable will of course already have been paid, but the Treasury are empowered to approve schemes for refunding the tax in the case of particular classes of goods, where this is necessary in the interests of export trade.

INTRODUCTION OF THE TAX

The Act provided that the date from which the tax becomes operative should be fixed by Treasury Order. *It will apply to all taxable transactions as described above if the goods are delivered on or after the operative date of the tax, irrespective of the date when the contract of sale was made.* In general, therefore, existing stocks in the hands of retailers will not be chargeable with tax; but there is special provision whereby firms who since July 2, 1940, have delivered goods to retailers or to separate retail branches of their own business "on a scale or in a manner not in accordance with the ordinary practice of the business" may be charged with tax in respect thereof, notwithstanding that the goods were delivered prior to the date of operation of the tax.

COLLECTION OF THE TAX

The person accountable for the tax in the ordinary case is the manufacturer or wholesale merchant selling the goods, but he will not be required to pay it to the Crown until the end of the period (normally three months) in which the goods are delivered. It is not intended at present to prescribe any particular form in which their accounts should be kept, but registered persons will be required to keep such accounts as will enable them to render periodical returns of their deliveries of goods and to compute and pay the tax accordingly. Provision will be made enabling the tax on goods which are not paid for during the period in which they were delivered, to be carried forward to the next period; and due adjustment will be allowed in respect of bad debts on the facts being established by the registered person concerned.

ADJUSTMENT OF CONTRACT RIGHTS

Provision is made enabling the seller, in the absence of agreement to the contrary, to increase by the amount of the tax chargeable the price at which he may have contracted to supply any goods before the tax came into operation. Firms liable to registration may desire, therefore, in any future contracts they make to indicate that quotations may be liable to increase by the amount of the tax.

REGISTRATION

Every manufacturer who makes and sells chargeable goods and every wholesale merchant dealing in chargeable goods is required to register with the Customs and Excise for purchase tax purposes, unless his gross takings from sales of chargeable goods do not on the average exceed £2,000 a year. In the case of a manufacturing retailer, any retail sales of goods not made by him must be disregarded in determining whether that limit is exceeded.

The limit of £2,000 is subject to alteration by Treasury Order at any time as may be deemed necessary.

A manufacturer is defined as any person carrying on in the United Kingdom a business of making and selling goods, or applying any process in the making of goods which are his property (including the assembling of parts). It also includes any person having goods made or processed to order under any form of contract other than a purchase. Firms engaged in processing or repairing goods, the property of another firm, and not themselves selling chargeable goods, are not required to register.

Retailers engaged in making chargeable goods for sale, such as tailors or dressmakers, are manufacturers and, subject to the provisions already described, are required to register. This does not apply, however, to retailers who merely alter ready-made goods, such as hats or dresses, to a customer's requirements, or make up carpets or curtains to prior order.

The term "wholesaler" means any person carrying on in the United Kingdom a business of selling goods not of his own manufacture (a) to persons buying such goods for the purpose of selling them again, or (b) to persons using such goods as materials in the manufacture of other goods.

It will be seen that the question whether a firm is registrable as a wholesale merchant does not depend on the commercial status of the firm or the size of its business. It is entirely a question whether the persons to whom it sells in the regular course of trade are as described at (a) and (b) above. Sales to public authorities, institutions, hotels, builders or contractors do not in general satisfy these conditions and though they may be known com-

mercially as wholesale transactions they do not constitute wholesale trade for purchase tax purposes.

Casual sales by one retailer to another do not constitute "carrying on a business" as a wholesale merchant, and registration is unnecessary on that account.

Wholesale merchants engaged in import or export trade, and ship's-store dealers regularly supplying ships engaged in foreign trade should apply for registration, if they deal in chargeable goods.

Firms engaged only in making goods which are not chargeable with tax are not required to register; but provision exists for registering such firms where they can show that they use chargeable goods in substantial quantities as materials in manufacture. This will enable them to obtain their materials free of tax from other registered firms.

The Commissioners of Customs, who will administer the purchase tax, are also empowered to register businesses such as multiple shops making for their retail trade purchases of chargeable goods which, in value and character, are such as in the ordinary course of trade are made by wholesale merchants. The Commissioners propose to register such businesses, and tax will become chargeable as the goods are transferred to the firm's retail branches.

OVERSEAS FIRMS TRADING IN THE UNITED KINGDOM

Where a person, firm or company in Canada or other overseas country carries on manufacture or wholesale trade of a registrable character in the United Kingdom, the Commissioners may treat the agent, manager or factor conducting the business in this country, provided he is resident here, as in effect the registrable person for purchase tax purposes. In such cases application for registration should be made by the agent, factor or manager as the case may be, and his position in relation to the business should be stated. On being registered, he will be treated for all purposes as if he were himself carrying on the registrable business.

REGISTERED BUSINESSES

On being registered, firms will be given an official certificate of registration. This will enable them to obtain free of tax from other registered firms any chargeable goods required as material for use in manufacture or as stock for wholesale trading. It will not entitle a registered person to buy tax-free goods required for other purposes, such as stationery for his office use or equipment for his premises. In order to purchase goods tax free, firms will be required to quote their registered number on the order for the goods, and to represent in the prescribed manner that they intend to sell the goods or to use them as materials. A registered firm receiving such an order from another registered firm will be entitled, in the absence of good reason to the contrary, to supply the goods free of tax. Heavy penalties will be incurred by any person falsely representing himself to be a registered person, or using his registration certificate to evade the tax.

A registered firm selling chargeable goods to an unregistered firm (or to a registered firm not buying the goods as material or stock) will be accountable for tax on the transaction. The amount of the tax must be shown separately on any invoice for the goods or similar document, which is delivered to the buyer.

CHARGEABLE TRANSACTIONS

It follows from the preceding paragraphs that the proprietor of a registered business will be accountable for tax at the appropriate rate on all chargeable goods which, after the date of commencement of the tax, are:—

- (a) Delivered on sale to unregistered persons, or to registered persons buying otherwise than as material for manufacture or stock for whole-sale trade;
- (b) Transferred to separate retail branches or departments of the proprietor's business; or
- (c) Otherwise appropriated or applied for use other than as material or stock in the proprietor's business.

Goods which were supplied on approval or on "sale or return" or similar terms before the commencement of the tax are deemed for purchase tax purposes to have been delivered on the date on which they are sold.

CALCULATION OF THE TAX

The value on which purchase tax is chargeable is defined as the price (exclusive of tax) which, in the opinion of the Commissioners, the goods would fetch on a sale made at the time when the tax becomes due by a person selling by wholesale in the open market to a retail trader. The definition further contemplates that the goods will be delivered carriage paid. It is clearly important that when the tax comes into operation, registered traders should be in a position to calculate the amount of the tax which they will have to charge; and the following information is therefore given as to the basis which the Commissioners will consider satisfactory for this purpose:—

- (a) Generally speaking the price charged to an independent retailer (i.e. a retailer who is not wholly or partly under the same financial or managerial control as the seller and who is paying a price which is the sole consideration for the purchase of the goods) will be accepted as a fair measure of the open market value. The tax should in that case be calculated on the invoice price adjusted as may be required for cash discount and delivery expenses.
- (b) Where the same goods are being sold: to independent retailers (as described above); and also (i) to retailers who are wholly or partly under the same financial or managerial control as the sellers, or (ii) by way of transfer to separate retail branches or departments of the seller's business, or (iii) to the public direct in cases where separate retail branches or departments are not maintained, the tax on such sales or transfers should be calculated on the prices at which the same goods are being sold to independent retailers.
- (c) Where there are no sales of similar goods to independent retailers and the goods cannot therefore be taxed on the basis explained above, the tax should be calculated on the price which *would* be charged for the goods on a sale to an independent retailer. If the seller considers that his present basis of invoicing to his branches, etc., reflects such a price, tax should for the present be charged on that basis, but he must be prepared in due course to justify it to the Commissioners as affording a fair open-market wholesale value of the goods.
- (d) Where the value on which tax should be charged cannot be arrived at as explained above, e.g. in the case of bespoke tailors or other traders making goods only for direct sale to the public, the tax should be calculated on the retail selling price of the goods (excluding tax)

less such a percentage deduction as will afford a fair open market wholesale selling price. The percentage deduction which it is claimed should be allowed for this purpose must be stated in reply to question 7 on the application form. Where a trade association has provisionally agreed such a rate with the Commissioners the agreed rate may be given in reply to the question.

CASH DISCOUNT

In calculating the tax chargeable in the case of goods purchased by a trader who is not registered, a deduction may be made of any discount for cash or for settlement within a period which is shown on the invoice and is freely available to buyers generally. No adjustment need be made if the whole or part of the discount is forfeited owing to delayed settlement.

DELIVERY EXPENSES

If goods are not sold at a price free-delivered to the buyer's premises and the cost of delivery cannot readily be ascertained, it may be calculated as an interim measure by whichever of the following methods is appropriate:—

- (a) By use of a known difference between non-delivered and free-delivered quotations. If sales customarily include delivery only within a certain radius the terms for delivery within that radius may be taken.
- (b) By use of representative delivery costs expressed as a flat rate per unit of weight or volume or as a percentage of price.
- (c) By use as flat rates of quotations obtained from railway companies or other transport undertakings for a fair average mileage for the classes of goods sold.

If any of these methods are used, full particulars, including the data upon which the rates have been calculated, must be placed on record and retained for inspection by any officer of Customs and Excise.

Where none of the methods (a) (b) or (c) can be followed, e.g. where goods are in practice collected by the buyer and an equitable flat rate cannot be framed, an overall addition of $2\frac{1}{2}$ per cent may for the present be made to the invoice price.

LIST OF CHARGEABLE GOODS

Column 1 Goods Chargeable at One-third of their Whole-sale Value	Column 2 Goods Chargeable at One-sixth of their Whole-sale Value	Column 3 Goods Mentioned in the First or Second Column but which are Not Chargeable.
1. Garments or footwear made wholly or partly of fur skin (including any skin with fur, hair or wool attached) or silk (except silk used for the stitching of seams and button-holes).	Garments or footwear, except as specified in the first or third column.	Garments or footwear of a kind suitable for young children's wear, except as specified in the first column.
Headgear, gloves and haberdashery, except protective helmets as specified in the third column.		Protective boots designed for use by miners or quarrymen or moulders.
Patterns for making apparel.		Clogs.
Umbrellas, sunshades, walking sticks and canes.		Protective helmets designed for use by miners or quarrymen.
		Sewing thread and mending and knitting wool.

LIST OF CHARGEABLE GOODS—*Continued*

Column 1 Goods Chargeable at One-third of their Wholesale Value	Column 2 Goods Chargeable at One-sixth of their Wholesale Value	Column 3 Goods Mentioned in the First or Second Column but which are Not Chargeable.
2. Tissues and fabrics (other than jute fabric), whether in the piece, shaped or partly made up, except as specified in the third column.		Felt, bolting cloth, machinery belting and heavy industrial canvas.
Oil baize, oil cloth, leather cloth.		
Textile articles of a kind used for domestic purposes, soft furnishings and bedding, and travelling rugs.		
Kapok, feathers and down, and other upholstery stuffing materials.		
Carpets, rugs, mats, linoleum and other floor coverings.		
3. Fur skins (including any skin with fur, hair or wool attached), dressed.		
4. Articles of china, porcelain, earthenware, stoneware or other pottery ware of a kind used for domestic purposes, except as specified in the second or third column.	Articles of china, porcelain, earthenware, stoneware or other pottery ware, of a kind used in the preparation or serving of food or drink.	Sanitary ware.
5. Glassware of a kind used for domestic purposes, except as specified in the second column.		
Glass articles, the following: Mirrors (whether framed or not), shelves, finger plates, table tops and advertisement tablets (whether backed with other materials or not).	Glassware of a kind used in the preparation or serving of food or drink, not being cut glass.	
Vacuum flasks and vacuum jars of a kind used for domestic purposes.		
6. Domestic and office furniture of all kinds (including wire and spring mattresses).		
7. Fittings of a kind used for interior domestic or office lighting, the following: Brackets, pendants, candelabra and electroliers, lanterns, shades, bowls and reflectors, lamp chimneys and other illuminating glassware, table and floor standards (whether complete or not).		
Domestic cooking and heating appliances, and other appliances and apparatus of a kind used for domestic purposes.		

LIST OF CHARGEABLE GOODS—*Continued*

Column 1 Goods Chargeable at One-third of their Wholesale Value	Column 2 Goods Chargeable at One-sixth of their Wholesale Value	Column 3 Goods Mentioned in the First or Second Column but which are Not Chargeable.
Portable lamps and hand torches of all descriptions except as specified in the third column.		Hurricane lamps, ships' lanterns and miners' safety lamps.
Electric filament lamps (not exceeding 250 watts) and incandescent mantles; electric dry batteries of all kinds.		
Hair-waving and hair-drying machines.		
8. Cutlery suitable for domestic or personal use, and spoons, forks and similar articles suitable for domestic use.		
9. Articles of hardware and ironmongery of kinds used for domestic or office purposes, except as specified in the second column.	Enamelled hollow-ware and other iron and steel hollow-ware of a kind used for domestic purposes.	
Turnery of a kind used for domestic or office purposes except as specified in the third column.		Household brooms and brushes.
Lawn mowers and garden-rollers, garden furniture and garden ornaments.		
10. Trunks, bags, wallets, jewel cases, pouches, purses, suitcases and baskets, and similar receptacles of a kind used for personal or domestic purposes (whether fitted or not).		
11. Photographic cameras, except as specified in the third column.		Cinematograph cameras for film of standard width; and X-ray and other cameras suitable only for industrial, scientific or military use.
Photographic enlargers. Projectors for sub-standard film or for slides.		
Lenses and other parts of, and accessories to, such cameras, enlargers or projectors as are mentioned in this column.		
Unexposed sensitized photographic paper, cloth, plates and film, except as specified in the third column.		X-ray plates, film and paper; cinematograph film, of standard width; ferro-prussiate, ferro-gallic and dyeline paper and cloth.
12. Musical instruments, including gramophones, pianolas and other similar instruments; accessories to, and parts of, musical instruments.		
Gramophone records, except as specified in the third column.		Gramophone records for the reproduction of speech, specially adapted for the use of the blind.

LIST OF CHARGEABLE GOODS—*Continued*

Column 1 Goods Chargeable at One-third of their Wholesale Value	Column 2 Goods Chargeable at One-sixth of their Wholesale Value	Column 3 Goods Mentioned in the First or Second Column but which are Not Chargeable.
Pianola records. Wireless receiving sets of the domestic or portable type, radio gramophones, and valves, batteries and accumulators suitable for use therewith.		
13. Clocks and watches, movements and cases for, and accessories to, clocks and watches, and watch chains, wristlet watch straps and similar articles.		
14. Toys and games (including coin- or disc-operated machines).		
Appliances, apparatus, accessories and requisites for sports, games, gymnastics or athletics (other than garments and footwear).		
15. Jewellery and imitation jewellery and other goldsmiths' and silversmiths' wares.		
Articles of all kinds made wholly or partly of ivory, amber, jet, coral, mother of pearl, natural shells, or tortoiseshell, or of jade, onyx, lapis lazuli or other semi-precious stones.		
16. Fancy or household goods made wholly or partly of celluloid, bakelite or other plastic material derived from cellulose, casein, papier mache or synthetic resin.		
Other fancy or ornamental articles of a kind suitable for personal or domestic use (including artificial flowers, photograph frames and paper weights).		
Ash trays, tobacco pipes and other smokers' requisites, but not including matches and mechanical lighters.		
17. Toilet requisites of all kinds (including toilet brushes).		
18. Perfumery and toilet preparations (whether medicated or not) and soap made up for sale as toilet soap.		
19.	Drugs and medicines, manufactured or prepared, except as specified in the third column.	Essential drugs, of an exceptionally costly character (including insulin, liver extract and active principles of liver).

LIST OF CHARGEABLE GOODS—*Concluded*

Column 1 Goods Chargeable at One- third of their Whole- sale Value	Column 2 Goods Chargeable at One- sixth of their Whole- sale Value	Column 3 Goods Mentioned in the First or Second Column but which are Not Chargeable.
20. Typewriters, dictaphones, calculating machines and other office machinery.		
Cash registers.		
21. Paper manufactures, the following: Diaries, calen- dars, greeting cards, pic- ture postcards and similar articles; notepaper, and other stationery; handker- chiefs, face and hand towels, paper serviettes and other articles of table or kitchen use; wallpaper.		Account books and plain books (whether ruled or not).
Pencils, pens, fountain pens, ink, drawing pins, and other stationery and office requisites.		
22. Pictures, prints, engrav- ings, photographs, figures, busts, reliefs, vases and similar articles, if pro- duced in quantity for gen- eral sale.		
23. Road vehicles and cycles (whether mechanically propelled or not) being vehicles and cycles con- structed or adapted solely or mainly for the car- riage of passengers, except as specified in the third column.		Tramcars, trolley vehicles, om- nibuses and char-a-bancs.
Tires, except as specified in the third column.		Ambulances, invalid carriages and perambulators.
		Pneumatic tires of a sectional width of not less than five inches being tires not suit- able for use on vehicles of the class mentioned in column one.

EXPORT HOUSES IN THE MIDLANDS: CANADIAN PRODUCTS FOR SHIPMENT TO OVERSEAS MARKETS

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

Bristol, October 1, 1940.—Although a number of years ago the merchant exporters and indent confirming houses held an important place in the overseas trade organization in the United Kingdom, their scope has been considerably reduced since the last war and particularly within the past ten to fifteen years. Competition has made it necessary in many cases for manufacturers to sell in overseas markets either direct or through established agents. Except in a few cases the old type of indent trade has disappeared, and the export merchants, generally speaking, take a more active part in promoting sales, some of them undertaking to represent British manufacturers in the overseas markets in which they are interested.

There are approximately forty firms in the Midlands area (Birmingham, Wolverhampton, and Walsall) engaged to some extent in the export merchant

or indent trade, although, due to the war, for some of them certain markets have been curtailed or completely lost.

METHODS OF OPERATION

The true indent firm, of which there are now only a few in this area, acts solely as a confirming house for orders received from their overseas connections. For the most part, they follow the definite instructions of their customers as to type of goods and source of supply. In passing orders on to manufacturers they take advantage of every cash discount, which accrues to their customers as part of their service even though they themselves grant extended credit terms. If they have orders for a variety of goods, they frequently combine them all on a single bill of lading for the convenience of the consignee.

Sometimes an overseas customer places orders with an indent firm on the basis of manufacturers' catalogues or of samples shown by travellers for manufacturing firms, who are in a position to discuss in a technical and authoritative way the merits of the merchandise. In such cases the buyer pays the manufacturer's set price, plus an agreed commission, to the indent house. Though it might be possible for them to order direct from the manufacturer at a slightly lower cost, some overseas firms, especially in South Africa, prefer to take advantage of the services offered by the confirming house.

It is the practice of some indent firms to assist their customers in a financial way. By advancing funds to enable a wholesale merchant or a department store to expand in scope they thereby increase the volume of indent orders to the mutual advantage of both parties.

The more common method of operation now is for firms to buy and sell on their own account as export merchants. In practice they usually sell before they buy. That is to say they offer goods for sale in overseas markets through their own resident agents or travellers on behalf of manufacturers with whom they are in touch. In certain cases they assume the agency for these manufacturers in the markets with which they are familiar. Goods are bought at the best price, and the merchant's profit is the difference between this and his selling price. Some firms combine this type of business with a form of indent trade, but frequently they have more latitude in locating supplies than in the case of those engaged strictly in confirming specific indents.

Terms of payment are, generally speaking, cash against documents presented in England. In this way goods shipped from Canada to certain overseas countries on behalf of export merchants in England would be paid for while still in transit.

MARKETS

A survey of the principal export merchants and indent houses in the Midlands reveals that, although some firms have contacts in a large number of countries, the principal markets are the Dominions and Colonies and South and Central America. South Africa is found most frequently in the lists of export markets and, on the whole, buyers in this Dominion adhere more closely to the original indent type of trade than is the case in other countries.

Specifically the following overseas markets receive the attention of firms in the Midlands: Australia, New Zealand, India, South Africa, the Rhodesias, British East and West Africa, Portuguese Africa, West Indies, Argentina, Brazil, Mexico, Peru, Spain, Portugal, Egypt, Palestine, Netherlands Indies, and the Far East.

As a result of the war, certain markets, such as those in North Africa and the Mediterranean generally, have become extremely difficult to trade with.

while those firms who specialized in European, and particularly Scandinavian, countries have found their business temporarily at a standstill.

PRODUCTS HANDLED

While some firms, especially those acting as confirming houses, are prepared to deal in almost any commodity on behalf of their overseas customers, others specialize in certain types of goods which, however, generally embrace a wide range of products.

The most common line is described as "general hardware." This may cover anything from tools, nails, wire netting and household appliances to metals and machinery. Closely allied with this group are such items as building trade supplies, sanitary earthenware, agricultural equipment and raw materials such as ores and pig iron.

Imitation jewellery, silver and electro-plated goods, clocks, watches, etc., are handled extensively but on a much smaller scale than hardware.

Miscellaneous products for the bazaar trade in India and elsewhere are also bought by Midlands firms, although it is difficult to list individual articles. Generally speaking such lines as are sold at relatively low prices by chain and department stores, particularly within the price range of 5 cents to \$1, are of interest, and specific inquiries have been made for such products as toilet requisites, hairdressers' supplies, sun goggles, and cheap costume jewellery.

Other products comprise fancy and leather goods, including saddlery and allied lines; soft and piece goods; antique and semi-antique furniture; sports goods; cycles and accessories; fishing tackle; toys; refrigerators; arms and ammunition, etc.

As far as firms in the Midlands are concerned, the hardware lines are the most important, chiefly because the Birmingham area is the manufacturing centre for iron and steel products, tools and equipment, machinery and other products of the heavy industries. It is also the headquarters of the silver and jewellery trades. Other commodities such as fancy goods, textiles, machinery, provisions and general lines are for the most part handled by export merchants in such centres as London, Manchester, Bradford, Glasgow and Liverpool.

OPPORTUNITIES FOR CANADIAN PRODUCTS

Under present conditions it is sometimes difficult for merchants in the Midlands to obtain from British manufacturers the goods required by their overseas customers. Although every effort is being made to encourage export trade, certain goods, particularly iron and steel products, are subject to export control, and home requirements for war purposes must of necessity take first place. There is, therefore, a special demand for goods coming under the "general hardware" classification, and export merchants and confirming houses are prepared to consider offers of supplies from Canada.

It is recognized, of course, that many of the iron, steel and metal products in such forms as bars, sheets, tubes, wire, netting, etc., which are unobtainable in the United Kingdom, will be difficult to obtain from Canada for the same fundamental reasons. There are, however, certain other classes of goods which Canada may be able to offer, and these, together with the general hardware items, are listed among the trade inquiries for Canadian products published in this issue of the *Commercial Intelligence Journal*.

Other indent trade inquiries as follows have been submitted during the current year by the Canadian Trade Commissioner in Bristol and published in the *Commercial Intelligence Journal*:—

Inquiry No.	Number	Date	Commodity	Market
8	1875	January 6, 1940	Hob nails	South Africa
378	1894	May 18, 1940	Brass and copper	South Africa
379	1894	May 18, 1940	Galvanized roofing bolts and nuts	South Africa
400	1896	June 1, 1940	Mild steel wire and rounds	Australia
495	1903	July 20, 1940	Ferro-alloys	Australia
531	1905	August 3, 1940	Outboard motors	South Africa
557	1909	August 31, 1940	Transformers	India

It is suggested that offers of any of these commodities by Canadian firms should be sent direct to the Canadian Trade Commissioner at Bristol, who will submit them to the firms concerned.

OTHER SERVICES OFFERED BY EXPORT MERCHANTS

Several of the more active merchants have expressed a desire to be placed in touch with Canadian firms doing a type of business similar to their own or who could co-operate with them in supplying various Canadian products for shipment to markets other than the United Kingdom. In some cases, inquiries could be passed on to such Canadian firms when the quantities involved in any one particular line would not be sufficient to warrant dealing direct with the manufacturer but several of which could be grouped into one shipment by the Canadian firm working on a commission basis. In other cases, what is required is that the Canadian commission house or export firm collect catalogues from various manufacturers of, say, hardware lines, to be forwarded direct to the overseas representatives of the British firm, through which all orders would subsequently be confirmed.

Another type of inquiry received relates to representation in overseas markets. Firms with contacts in certain markets, whether through agents or travellers, offer their facilities to Canadian manufacturers or merchants who may wish to enter these markets without making their own agency arrangements there. While direct representation is generally desirable and considerable assistance can be given to Canadian exporters in this connection by the Canadian Trade Commissioners, further information relative to this type of service will be supplied on request.

EXCHANGE

Although each transaction must be judged on its own merits, it is understood that the release of Canadian dollars for transactions of the type described in this report can be obtained by the United Kingdom firm on application to the Foreign Exchange Control authorities, provided the goods are shipped to a country in the "sterling area" and their importation is permitted by the country in question. When two non-sterling-group countries are concerned, the release of Canadian dollars would depend on whether the currency of the other country were one for which there is a demand. Otherwise arrangements would have to be made for payment to the United Kingdom export firm in some other currency such, for example, as United States dollars.

SUMMARY OF THE TRADE OF CANADA: MONTH, NINE MONTHS, AND TWELVE MONTHS ENDING SEPTEMBER, 1940

(EXCLUDING GOLD)

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of September, 1940				Nine Months ending September, 1940				Twelve Months ending September, 1940			
	Total Imports	From United Kingdom	From United States	Total Exports	Total Imports	From United Kingdom	From United States	Total Exports	Total Imports	From United Kingdom	From United States	Total Exports
<i>Imports for Consumption</i>												
Agricultural and Vegetable Products.....	10,680,396		3,978,731	112,328,019		6,332,085	41,607,615	151,427,497		9,224,542		55,576,276
Animals and Animal Products.....	1,910,848	691,928	1,135,874	28,365,352	3,000,137	3,000,137	16,779,120	38,978,064		4,183,304		22,507,353
Fibres, Textiles and Textile Products.....	7,815,062	199,838	3,036,327	115,419,503	43,398,004	43,398,004	49,430,537	148,127,820		53,722,430		67,118,466
Wood, Wood Products and Paper.....	3,027,775	239,070	2,664,389	28,531,931	2,119,050	2,119,050	25,089,019	33,523,157		21,886,023		33,946,356
Iron and its Products.....	26,022,738	1,461,970	24,295,315	210,714,076	17,044,016	17,044,016	190,620,006	271,523,030		91,868,446		245,021,552
Non-Ferrous Metals and their Products.....	6,063,748	1,188,721	3,792,180	47,794,314	8,553,070	8,553,070	31,181,655	61,957,364		6,656,446		41,390,083
Non-Metallic Minerals and their Products.....	15,121,414	2,054,729	11,598,088	116,980,837	12,457,881	12,457,881	91,804,599	157,091,430		15,478,847		125,000,842
Chemicals and Allied Products.....	4,054,243	617,322	3,384,553	37,965,690	5,887,578	5,887,578	29,637,106	52,848,708		7,923,977		41,029,548
Miscellaneous Commodities.....	11,590,004	1,905,060	9,475,327	70,610,982	17,669,249	17,669,249	50,414,419	83,866,360		19,284,939		61,188,149
Total Imports, 1940.....	86,286,828	11,161,577	63,360,789	768,719,704	116,511,273	116,511,273	596,401,676	1,004,443,519		144,229,440		692,838,950
1939.....	73,564,271	9,252,769	50,799,416	515,331,719	86,289,242	86,289,242	330,461,192	686,830,314		115,937,942		435,788,870
1938.....	56,411,727	10,014,786	34,705,180	505,932,759	89,643,730	89,643,730	319,402,889	721,831,051		127,084,861		448,454,998
<i>Exports (Canadian Produce)</i>												
Agricultural and Vegetable Products.....	14,246,102	7,711,836	4,329,897	164,197,056	98,767,419	98,767,419	40,960,005	257,828,896		125,272,274		93,657,976
Animals and Animal Products.....	16,664,298	11,650,394	3,984,535	121,383,935	78,373,983	78,373,983	33,869,918	101,230,278		102,113,097		45,823,436
Fibres, Textiles and Textile Products.....	1,740,329	462,117	292,049	15,958,449	4,933,073	4,933,073	2,036,043	18,937,374		5,281,753		2,451,522
Wood, Wood Products and Paper.....	35,450,233	1,015,520	20,695,961	256,537,360	59,361,198	59,361,198	158,081,608	327,805,811		69,129,361		211,141,096
Iron and its Products.....	9,271,361	2,346,223	468,641	81,280,331	35,301,138	35,301,138	47,371,962	95,329,397		38,774,387		5,707,736
Non-Ferrous Metals and their Products.....	15,620,041	7,738,034	6,889,293	147,295,584	76,717,483	76,717,483	47,978,845	192,805,708		94,649,041		64,651,132
Non-Metallic Minerals and Allied Products.....	3,017,113	7,758,937	1,608,368	24,702,191	5,020,744	5,020,744	13,491,520	35,417,180		6,233,091		19,775,036
Miscellaneous Commodities.....	1,983,600	418,671	1,408,529	54,217,437	6,727,723	6,727,723	8,713,022	30,903,956		7,832,701		11,114,947
Totals, 1940.....	3,445,766	2,300,220	826,273	25,006,501	14,904,069	14,904,069	6,360,732	29,267,868		15,885,062		8,598,242
1939.....	101,439,603	44,401,962	39,527,578	890,908,914	380,817,289	380,817,289	315,633,655	1,149,526,468		465,191,367		402,921,063
1938.....	81,461,185	29,189,305	24,152,090	636,308,550	243,722,104	243,722,104	233,104,639	879,344,622		341,054,578		314,222,093
1937.....	72,206,271	28,901,011	25,120,691	594,547,845	242,359,271	242,359,271	189,348,735	863,632,355		363,070,004		274,362,400
<i>Exports (Foreign Produce)</i>												
Totals, 1940.....	1,338,593	578,093	643,621	8,403,057	1,020,781	1,020,781	6,721,904	11,667,127		1,110,474		9,684,505
1939.....	993,397	63,636	737,681	7,731,539	697,500	697,500	6,398,950	10,643,063		1,003,075		8,700,699
1938.....	902,883	99,042	732,289	8,188,692	1,430,115	1,430,115	5,994,988	11,071,906		1,689,497		8,314,870
<i>Excess of Imports (i) or all Exports (e)</i>												
Totals, 1940.....	(e) 16,491,368	(e) 33,818,478	(i) 23,189,590	(e) 100,592,267	(e) 295,326,797	(e) 295,326,797	(i) 204,046,117	(e) 156,750,076		(e) 822,072,401		(i) 220,233,352
1939.....	(e) 8,892,511	(e) 20,000,472	(i) 15,819,645	(e) 128,708,370	(e) 158,132,422	(e) 158,132,422	(i) 90,957,603	(e) 203,157,371		(e) 226,119,711		(i) 112,866,078
1938.....	(e) 10,697,427	(e) 18,985,267	(i) 8,892,200	(e) 96,783,778	(e) 154,145,656	(e) 154,145,656	(i) 124,094,166	(e) 152,873,210		(e) 237,654,640		(i) 105,777,668

MARKET FOR RADIO RECEIVING SETS IN SOUTH AFRICA

J. C. BRITTON, ASSISTANT TRADE COMMISSIONER

Johannesburg, September 14, 1940.—The report of the South African Broadcasting Corporation revealed that there were 250,000 radio listeners' licences issued in the Union during 1939. This is an increase of 36,000 over the previous year, and illustrates the remarkable growth in the use of radio which has taken place in the Union of South Africa in recent years. This country offers an attractive and important market to overseas radio manufacturers, as the volume of business which can be obtained is fairly large and ruling prices appear to be profitable.

Attempts have been made to assemble radios locally, but these have not been too successful, and up to the present domestically produced sets have not been an important factor in the market. This position may alter in the future as efforts to establish a successful domestic industry are continuing.

Imports of radios and accessories have exceeded £600,000 in value for each of the past four years. United States exporters have obtained a large share of this business. Their chief competition has recently been forthcoming from the Netherlands producers. Only a limited percentage of radios and accessories imported have originated in Empire countries. Holland and Germany are now eliminated as potential suppliers, so that prospects of increasing imports from Canada and other Empire sources deserve close examination.

MARKET REQUIREMENTS

Two, at least, of the currently popular radio receiving sets are equipped with variable transformers, which enable them to be used anywhere in the Union. This equipment is desirable; but if not available, it is important that sets should be outfitted to operate on 200 to 220 volts, 50-cycle alternating current. These voltages are in fairly general use throughout the country, and will serve more than 80 per cent of the market.

Sets should be outfitted for medium- and short-wave reception. There is a very limited demand for cheap sets for local reception only. With regard to short wave, it is essential that sets be equipped for reception on 13 metres and upwards. Band-spread tuning is also popular and forms an added selling attraction.

A total of 18 transmitters, operating on 24 different wave lengths, were being employed by the South African Broadcasting Corporation at the end of 1939. The wave lengths used by the four Johannesburg transmitters were: 465·12 metres, 384·6 metres, 30·27 metres, 49·2 metres, 49·94 metres, and 60·55 metres; while those in use in Cape Town were 500 metres and 340·91 metres.

TYPES IN DEMAND

To cater adequately to consumer demand, radio manufacturers should offer both medium- and low-priced table models. In addition there is a considerable demand for large cabinet-size sets. These three types are at the moment the most popular. Prices vary widely, but the majority of larger retail dealers stock a cheap popular 6-tube short-wave set selling at £15 15s. for payment on extended terms, and including free a year's receiving licence valued at £1 15s. The large-size cabinet model, with and without gramophone attachment, selling retail at prices ranging from £45 to £55 on a time payment basis, has a constant demand.

Attractive cabinets of excellent construction are manufactured locally. Sets other than table models, therefore, are in most cases imported without cabinets. The majority of table sets come forward with cabinets.

SOURCES OF SUPPLY

The value of radios and accessories imported into the Union of South Africa in the past four calendar years is shown in the following table:—

Imports of Radios and Accessories, 1936-39

	1939	1938	1937	1936
Total	£678,054	£729,628	£776,841	£602,536
United States	378,937	414,659	550,564	488,670
Netherlands	203,038	158,283	120,804	49,441
United Kingdom	80,065	132,302	88,116	50,225
Germany	11,424	17,296	11,237	4,257
Australia	1,446	1,227	2,688	3,666
Switzerland	1,177	1,115	108	.....
Other countries	1,967	4,746	3,324	6,277

The figures given in the foregoing table emphasize the dominant position held by the United States and Holland. The withdrawal of Holland and Germany from the market affords an opportunity to other countries desiring to participate to a larger extent. Imports from Canada amounted only to £103 in 1939, £1,951 in 1938, £1,727 in 1937 and £5,532 in 1936. The present would appear to be an opportune time for Canadian exporters to investigate the market possibilities fully with a view to increasing their share of this important business.

DISTRIBUTION

To introduce a new line of radios in the market it is necessary, of course, that reliable retail distributors be appointed in each of the leading urban centres. This is not an easy task, as the number of different makes of radios now offered for sale greatly exceeds the suitable available retail outlets. There are several leading firms with branches throughout the country and any of these could be appointed with confidence. Failing a connection of this type, different retail distributors should be secured in each of the principal cities and towns. The location of distributors may be left in the hands of the agents appointed, providing a decision is reached to work this market by this method, which has many points worth favourable consideration.

RADIO LICENCES

The following table shows the number of radio receiving licences issued according to provinces in the calendar years 1939 and 1938:—

Radio Receiving Licences Issued by Provinces

	1939	1938	Increase in 1939
Transvaal	108,036	93,795	14,241
West and North-West Cape	57,051	48,372	8,679
Eastern Cape	32,729	27,523	5,206
Natal	36,850	31,542	5,308
Orange Free State	13,799	11,116	2,683
Basutoland	276	235	41
Bechuanaland	276	226	50
Swaziland	182	105	77
Total	249,199	212,914	36,285

The net licence revenue increased from £301,000 in 1938 to £355,000 in 1939.

SOUTH AFRICAN BROADCASTING CORPORATION

Control of broadcasting in the Union of South Africa is vested in the South African Broadcasting Corporation, which took over this duty on August 1, 1936. The administration and affairs of the Corporation are directed by a

board of governors appointed by the Governor-General. The Corporation must render an annual report to the Minister of Posts and Telegraphs for submission to Parliament. This Minister's approval is required for the raising of loans, the investment of moneys and for the passing of regulations dealing with fees to be paid for licences.

In so far as broadcasting is concerned, however, the Corporation is an entirely independent body with full power within the limits of the Broadcasting Act to carry out any broadcasting policy it may consider desirable.

The independence of the Corporation is accepted by the Government who do not regard it as a government department and do not interfere in any way with its program policy or internal administration.

The Corporation does not allow advertising matter in its programs, nor has it permitted the erection of commercial broadcasting stations. In addition no broadcasts of party political speeches are undertaken.

Since assuming the control of broadcasting, the Corporation has embarked upon a steady campaign of expansion. The most important single feature of this campaign in 1939 was the erection of a diversity receiving station. Overseas programs relayed through this medium to listeners in South Africa have come in very clearly.

The Corporation is faced with technical and language difficulties which are not encountered elsewhere in the same degree. Every attempt is being made to solve these problems to the satisfaction of listeners, and it can be said that progress has been made in this direction.

MARKET FOR FRESHWATER FISH IN CHICAGO

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

Chicago, October 22, 1940.—The Chicago market continues to offer an excellent outlet for the sale of Canadian freshwater fish. The summer season of 1940 has been most favourable, judged by total consumption figures. With the constant improvement in rapid transportation and cold storage facilities, more and more freshwater fish is being consumed at the expense of the smoked and dried product. During September, delivery of 2,184,260 pounds of freshwater fish was taken by dealers in Chicago as compared with 2,034,489 pounds in 1939. For the nine months ending September, 1940, 22,534,497 pounds were received, an increase over the 1939 figure of nearly 3,125,000 pounds or approximately 16 per cent. These and other figures given in this report include fish caught by United States fishermen and shipped through Canada in bond.

IMPORTS FROM CANADA

Imports of freshwater fish from Canada also show a substantial increase, especially for the month of September when they totalled 555,915 pounds as compared with 414,297 pounds in September, 1939. For the nine months January to September, 1940, imports amounted to 6,191,158 pounds as against 5,967,136 pounds in the corresponding period of 1939.

The foregoing figures show the importance of Canadian fish on the Chicago market, Canada supplying for the 9-month period just ended over 25 per cent of the total consumption. The Province of Manitoba supplied over 50 per cent of the imports from Canada, or 265,977 pounds, followed by Alberta with 191,421 pounds and Ontario with 93,997 pounds. Michigan, Wisconsin and Minnesota were the chief contributors of domestic supplies. The species of fish sold in the Chicago market, with figures for total quantities received in September, 1940, and 1939 and for the 9-month periods ended September, 1939, and 1940, are shown in the following table:—

Chicago Market Consumption of Freshwater Fish

	September 1939 Lbs.	September 1940 Lbs.	Jan.-Sept. 1939 Lbs.	Jan.-Sept. 1940 Lbs.
Blue pike	44,895	4,533	746,885	238,233
Bowfin . . . . .	.....	.....	2,101	735
Brook trout	788	180	4,463	3,755
Buffalofish	73,796	58,996	509,727	531,517
Bullheads	41,086	15,324	181,590	150,604
Burbot . . . . .	.....	.....	906	368
Carp	161,961	150,967	1,285,534	1,309,236
Catfish	29,766	28,001	183,349	292,898
Chubs	119,677	117,514	805,334	586,842
Cisco . . . . .	.....	.....	25,330	2,708
Crappie	786	4,533	786	17,330
Eels	8,788	6,441	27,084	22,843
Lake herring	59,492	72,080	1,536,229	1,873,148
Lake herring, frozen . . . . .	.....	.....	.....	72,899
Lake trout	453,204	537,983	3,177,474	3,850,802
Lake trout, frozen	30,200	94,571	72,587	237,304
Menominee	1,693	2,180	19,953	10,752
Pickarel (jacks)	37,992	27,844	199,724	335,374
Pickarel (frozen) . . . . .	.....	.....	12,072	5,384
Rock bass	4,352	1,457	18,860	10,970
Sauger	64,923	158,559	1,869,592	1,256,516
Sauger, frozen	89,971	.....	1,169,388	1,390,976
Sheepshead	28,216	60,384	632,105	654,568
Smelt	35,341	36,708	951,138	1,708,545
Smelt, frozen . . . . .	.....	968	26,380	133,103
Suckers	95,191	79,605	692,109	861,856
Sunfish	2,764	886	3,775	4,581
Tullibee	25,376	22,924	40,301	109,385
Tullibee fillets	2,580	3,896	4,978	10,716
Tullibee, frozen . . . . .	.....	.....	45,891	97,081
White bass	9,861	6,833	21,321	54,897
Whitefish	246,062	228,177	1,835,631	2,390,793
Whitefish, frozen . . . . .	.....	.....	258,263	650,628
Yellow perch	204,348	308,766	1,560,622	2,112,241
Yellow perch, frozen . . . . .	.....	.....	22,800	20,851
Yellow pike	155,014	134,889	1,323,593	1,379,818
Yellow pike, frozen . . . . .	.....	.....	47,879	47,867
Unclassified	6,366	19,061	15,949	96,373
Total	2,034,489	2,184,260	19,331,703	22,534,497

The foregoing list will indicate to Canadian fish exporters the species of fish for which there is the greatest sale and also the extent of the market for many other species to which they may not in the past have given particular attention.

Lake trout, as indicated by the import figures, is by far the most popular fish on the market. Michigan is the chief source of supply, but Ontario and Alberta also shipped substantial quantities, as will be shown in the appended table, Alberta supplying all the frozen lake trout received. Yellow perch comes largely from Ohio and Michigan and whitefish from Michigan. Sauger was supplied almost entirely by Manitoba. Carp and chubs, two other species consumed in large quantities, are entirely from United States sources.

The following table shows imports from Canada by provinces of these species for the month of September, 1939 and 1940:—

Imports into Chicago of Freshwater Fish from Canada by Provinces

	Alberta		Ontario		Manitoba	
	Sept., 1939	Sept., 1940	Sept., 1939	Sept., 1940	Sept., 1939	Sept., 1940
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
Blue pike . . . . .	.....	.....	.....	433	.....	.....
Bullheads . . . . .	.....	.....	351	5	.....	.....
Catfish . . . . .	.....	.....	2,781	722	.....	.....
Crappie . . . . .	.....	.....	734	4,456	.....	.....
Lake trout	46,500	96,600	59,268	50,502	1,748	.....
Lake trout, frozen	30,200	94,571	.....	.....	.....	.....
Menominee . . . . .	.....	.....	.....	58	.....	.....

Imports into Chicago of Freshwater Fish from Canada—Concluded

	Alberta		Ontario		Manitoba	
	Sept., 1939	Sept., 1940	Sept., 1939	Sept., 1940	Sept., 1939	Sept., 1940
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
Pickeral (jacks)	3,900	....	1,521	1,250	11,421	6,786
Rock bass . . . . .	....	....	....	242	....	....
Sauger . . . . .	....	....	....	56	57,126	152,496
Sauger, frozen . . . . .	....	....	....	....	89,971	....
Suckers . . . . .	....	....	2,100	457	....	....
Sunfish . . . . .	....	....	2,764	886	....	....
Whitefish	47,450	250	13,708	12,448	41,202	13,178
Yellow perch	1,600	....	2,895	18,117	7,642	8,825
Yellow pike	5,500	....	1,842	1,063	60,155	83,912
Lake herring . . . . .	....	....	4,509	....	....	....
Unclassified . . . . .	....	....	390	2,327	....	780

Eels were imported into the Chicago market in September, 1940, to the extent of 4,744 pounds as compared with 7,188 pounds in September, 1939. A total of 662 pounds was also received from New Brunswick as against none in the same month of 1940.

Prices of fish change almost daily. The following selected market quotations ruling last week for a number of the more popular species in demand will indicate to Canadian fish exporters the prices realized by the Chicago fish dealers when sold by the original receiver in usual wholesale quantities:—

	Cents per Lb.
Lake herring, blue fin	5 to 6
Lake herring, regular	4 to 5
Lake trout	19
Pickeral (jacks)	7 to 8
Sauger	8½ to 9
Whitefish (Lake Erie)	18 to 19
Yellow perch (Lake Erie)	9 to 10
Yellow pike, pound net	16 to 17
Yellow pike, gill net	11 to 14

The increase in Canadian supplies on the Chicago market is no doubt due in part to the modified United States tariff on imports from Canada which became effective January 1, 1939. On lake trout, saugers, whitefish, yellow pike, blue pike and yellow perch the duty was reduced from 1 cent to $\frac{3}{4}$ cent per pound and on eels from 1 cent to $\frac{1}{2}$ cent per pound.

MARKET FOR SARDINES IN THE MID-WESTERN UNITED STATES

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

Chicago, October 21, 1940.—A survey among wholesale firms and brokers interested in the sale of sardines discloses that Norwegian sardines are now scarce and that the price has reached a figure far beyond what can be paid by the average consumer. Portuguese sardines are available, also some of Japanese origin. The Portuguese sardine, however, is an entirely different pack from the Norwegian and, while there is some difference of opinion as to its quality and the extent of the market which it can command, in the opinion of the trade it will never take the place of the Norwegian product. The price of the Portuguese sardine also is increasing rapidly.

It is unfortunate that, at a time when imports of Continental sardines have practically stopped, Canada should have a short pack. Norway has always supplied more than two-thirds of the United States imports, while Canada has been a negligible factor. This is borne out by the following statistics of imports of sardines in oil or other substances from 1936 to 1939:—

United States Imports of Sardines

	1936		1937		1938		1939	
	Lbs.	\$	Lbs.	\$	Lbs.	\$	Lbs.	\$
	Figures in Thousands							
Canada	20	2	5	....	36	5	5	....
France and Morocco .. .	178	60	324	89	526	115	616	128
Germany	15	2	47	6	56	7	54	9
Italy	79	17	21	4	38	9	10	1
Latvia	1,027	128	802	105	788	100	650	84
Norway	25,971	3,091	22,525	2,853	15,847	2,163	23,755	3,373
Poland	410	55	247	34	112	19	15	2
Portugal	6,375	1,077	4,106	657	3,852	706	5,961	957
Sweden	180	26	203	30	336	57	465	87
All other countries.. . .	424	64	375	59	258	38	52	16
Total.. . . .	34,679	4,522	28,655	3,837	21,849	3,219	31,583	4,657

OPPORTUNITY FOR CANADIAN PRODUCT

Due to the curtailment of Continental supplies, a demand for Canadian sardines is developing. This is shown by the number of inquiries reaching the office of the Canadian Trade Commissioner. Wholesalers and brokers state that Canadian packers of sardines should be able to obtain some of the market at the present time. Canadian sardines are considered as of the same quality as those put up in olive oil in quarter tins by Maine packers. They are slightly more expensive than the Maine product. Wholesalers are selling domestic sardines at from \$8 to \$8.50 per case, for which the retailer obtains 10 cents a tin. It is because the demand for this domestic product is growing that wholesalers believe that Canadian sardines, if properly packed, should also be able to obtain a share of the market. There seems to be little call for the cheaper type of sardine, and the demand is consistently for one packed in a good grade of olive oil. The fish should be small, say from 15 to 22 per tin. The smoked sardine is apparently most desired, as it most closely resembles the Norwegian pack. Dealers are of the opinion that Maine packers at the present time are not putting up a smoked sardine similar to the Norwegian product, and this is one of the reasons why Canada should be able to obtain part of the market with a smoked product. Wholesalers are unfavourable to packing a cheap range of sardines.

One Chicago firm has intimated its intention to push only the sale of the slightly smoked Canadian sardine because, while it is more expensive than the one in oil, it more closely resembles the Norwegian product. Chicago dealers have been receiving more offers than usual from United States firms, which would seem to indicate that domestic packers are endeavouring to take advantage of the present situation to popularize their products.

SALES METHODS

Sales are made largely through wholesale houses, chain stores and brokerage firms. One of the most popular Norwegian brands has been sold exclusively through a local representative on a commission basis.

IMPORT DUTY

The duty on sardines imported into the United States is 30 per cent ad valorem, which in normal times is a serious handicap. Notwithstanding this duty, statistics show that Norway was able to ship into this country nearly 24,000,000 pounds of canned sardines in 1939 at a value of \$3,373,000.

Norwegian agents have been advised that their packers' supplies of tin have been seized by Germany and that they are now putting up their pack in black metal containers and are using a mixture of cod liver oil and olive oil.

TRADE AND ECONOMIC CONDITIONS IN BURMA, 1939-40

K. F. NOBLE, ACTING TRADE COMMISSIONER

(One rupee equals approximately \$0.33 Canadian.)

Bombay, August 30, 1940.—Economic conditions in Burma during the fiscal year ending March 31, 1940, were substantially better than during the previous twelve months and by any of the customary indices the year must be considered as a favourable one.

In the last quarter of 1938-39 there was some lessening in the intensity of the labour problem which remained as an aftermath of the July disturbances of the previous year. From the beginning of the fiscal year in April, improved agricultural prospects resulted in favourable internal conditions to which were added a number of external factors of importance. The excellent rice crop coincided with crop failures and famine conditions in many parts of India, resulting in heavy exports to that market at prices well above the previous year's. Demands from Europe were strong, while competition from supplies originating in French Indo-China and China were curtailed through policy and by the Japanese blockade.

Added to the favourable position of agriculture was the substantial and continuing advance of international commodity prices throughout the second half of the year in consequence of the outbreak of war and its successive extensions. The international prices of tin, rubber and lead all continued to improve, while the former two products further benefited from increased permissible exports under international control schemes.

Export trade figures for the year, therefore, are particularly favourable, while the physical balance of trade was of record size. In considering the values of the trade of Burma, it must be kept in mind that several influences of a temporary nature created a situation which is artificially favourable and which can represent only a passing phase of the absorption of Burma's commercial interests into a wartime economy. The depreciation of the rupee in sympathy with the pound sterling, to which it is tied, gave an increased value for the country's export trade, but at the close of the year this nominal advantage was being offset by higher costs of replacement imports.

TOTAL TRADE

The total value of Burma's commodity trade during the fiscal year ending March 31 was Rs.792,158,000, an increase of 15 per cent over the previous year's total of Rs.686,118,000.

Details of the total trade by imports and exports for the year under review and the two preceding years are given herewith:—

	1937-38 Rs. 1,000	1938-39 Rs. 1,000	1939-40 Rs. 1,000
Imports	208,300	207,822	251,644
Exports	490,658	478,296	540,514
Total trade	698,958	686,118	792,158
Balance of trade	282,358	270,474	288,870

The extent of Burma's export surplus is unusual and noteworthy, since it regularly exceeds the total value of all imports.

EXPORT TRADE

The value of commodity exports was Rs.540,514,540, an increase of 11.3 per cent over the total for the previous year. Almost without exception, exports from Burma are foodstuffs or raw materials for further processing, and the sustained demand for such supplies abroad made increases in value general.

Following is a summary of the principal exports with their values during the past two years:—

	1938-39 Rs.	1939-40 Rs.
Rice	206,866,000	241,003,000
Kerosene, gasoline, etc.	89,806,000	99,182,000
Teakwood	29,596,000	31,113,000
Paraffin wax, including candles	17,881,000	26,027,000
Lead	24,801,000	25,653,000
Wolfram ore	20,410,000	23,805,000
Lubricating and minerals oils	13,713,000	18,346,000
Raw cotton	7,544,000	10,223,000
Tin ore	5,147,000	7,046,000
Rice offal	11,519,000	6,322,000
Rubber, crude	5,958,000	5,011,000
Other products	45,055,000	46,783,000
Total	478,296,000	540,514,000

Figures of distribution of exports by countries of destination indicate the dependence of Burma on Empire markets, which absorbed 80·8 per cent of the total exports during 1939-40 (64·9 per cent during 1938-39). India is the largest individual buyer of Burma's products, absorbing over 58 per cent (49·5 per cent) of the total exports. Other countries of destination included the following: Japan, 11·2 (2·2); United Kingdom, 9·8 (14·1); Ceylon, 5·1 (5·8); British Malaya, 5·2 (7·1); China, 2·7 (0·5); United States, 1·2 (0·8).

IMPORT TRADE

Imports, with a total value of Rs.251,644,388, increased by some 20 per cent over the total for the previous year. They comprise primarily foodstuffs and cotton textiles, both classifiable as goods for consumption, with a secondary interest in machinery and replacement parts for the tin, lead, gold and wolfram mines and the lumber industry.

By order of importance the major groups of commodities comprising Burma's import trade are as follows, with values for the past two years:—

	1938-39 Rs.	1939-40 Rs.
Cotton piece-goods	29,121,000	37,932,000
Metals	15,439,000	20,295,000
Jute gunny bags	13,313,000	18,015,000
Provisions (and oilman stores)	16,356,000	13,961,000
Machinery (not electrical)	10,975,000	13,537,000
Cotton yarns	10,086,000	12,332,000
Tobacco	8,864,000	9,368,000
Motor cars	6,120,000	6,356,000
Coal and coke	7,315,000	6,269,000
Mineral oils	4,768,000	5,748,000
Spices	4,118,000	5,740,000
Machinery, electrical	4,581,000	5,049,000
Paper and board	3,671,000	4,504,000
Fish	4,441,000	4,364,000
Chemicals	2,216,000	2,918,000
Seeds	2,688,000	2,409,000
Liquors	2,160,000	2,400,000
Drugs and medicines	2,216,000	2,319,000
Soap	1,628,000	2,127,000
Salt	868,000	1,797,000
Cotton thread	1,157,000	1,354,000

The British Empire continues to supply almost four-fifths of Burma's imports, the percentage being 79 during 1939-40 (86 during the previous year). A total of 59 per cent (57·8 per cent) of the goods originate in India, which enjoys duty-free trade with Burma. Other Empire sources include the United Kingdom, 9·4 (10·7); British Malaya, 4·7 (4·8); Ceylon, 3·7 (3). The principal foreign sources of supply in order of their importance were: Japan, 10·5 (2·1); United States, 6 (0·8); and China, 3 (0·5).

During the year the share of the British Empire in Burma's import trade has declined somewhat, but the position of India as a country of origin has improved. Gains have been made by the United States and Japan, principally at the expense of Continental Europe, which is no longer a source of supply.

TRADE WITH CANADA

Burma's statistics covering the country's import and export trade by commodities and countries of origin and destination are not available at time of writing. A detailed review of the commodities involved in direct trade between Canada and Burma was published in *Commercial Intelligence Journal* No. 1834 (March 25, 1939), page 407.

Records of the Dominion Bureau of Statistics for the calendar year 1939 credit Burma with having purchased Canadian goods to a declared value of \$229,765 Canadian. The principal types of goods contributing to this total were: iron products, \$85,644; agricultural and vegetable products, \$61,535; chemical and allied products, \$25,496; non-ferrous metal products, \$23,626; and animal products, \$20,679.

Calcium carbide, tinned milk, aluminium circles, farinaceous foods, and rubber tires and tubes were the outstanding items in the direct trade, but the major export to this market—motor cars and trucks—reaches the country from India and figures are not recorded.

Imports from Burma into Canada, according to the same statistical source, were valued at \$550,850 during 1939 as compared with \$273,276 in 1938 and were composed entirely of rice and paraffin shipments valued at \$313,535 (\$146,586) and \$183,594 (\$104,464), respectively.

Manufacturers and exporters interested in the Burma market are referred to *Commercial Intelligence Journal* No. 1904 (July 27, 1940), page 154, in which a summary of the recently imposed import control regulations was published. The restrictions generally apply to non-Empire countries of origin, and an opportunity is therefore afforded Canadian exporters. The office of the Canadian Trade Commissioner at Bombay, upon receipt of catalogues and lowest net export prices, would be pleased to investigate the market in the interest of Canadian firms.

SELECTED COMMODITY IMPORTS

Following is a statistical summary of imports into Burma by countries of origin of certain selected items during 1939-40, figures for 1938-39 being shown within parentheses:—

Milk, Condensed and Evaporated.—Total, Rs.5,084,220 (Rs.4,449,157): Netherlands, Rs.2,400,744; United Kingdom, Rs.1,994,193; Denmark, Rs.271,989; Japan, Rs.245,936; other countries, Rs.81,179.

Wheat Flour.—Total, 30,823 tons, Rs.3,784,898 (28,997 tons, Rs.3,804,673): India, 25,577 tons, Rs.3,166,647; Australia, 5,915 tons, Rs.612,923.

Farinaceous Foods.—Total, 56,214 cwts., Rs.987,307 (60,769 cwts., Rs.1,106,239). Details not available.

Beer.—Total, 457,112 gal., Rs.1,148,824 (455,010 gals., Rs.1,100,822): United Kingdom, 291,151 gals., Rs.796,291; other countries, 116,761 gals., Rs.218,257; Germany, 49,207 gals., Rs.132,372.

Chemicals.—Total, Rs.2,918,047 (Rs.2,215,887): United Kingdom, Rs.1,482,336; India, Rs.304,338; Japan, Rs.129,151; Italy, Rs.88,584; Germany, Rs.44,654.

Drugs.—Total, Rs.2,318,557 (Rs.1,804,915): India, Rs.838,914; United Kingdom, Rs.633,770; other countries, Rs.845,873.

Soap.—Total, 101,082 cwts., Rs.2,127,026 (74,858 cwts., Rs.1,628,287): India, Rs.1,974,421; United Kingdom, Rs.117,696; other countries Rs.14,830.

Chemical Fertilizers.—Total, Rs.186,040 (Rs.95,159): United Kingdom, Rs.109,146; Straits Settlements, Rs.29,773; India, Rs.24,280.

Paper and Cardboard.—Total, Rs.4,504,088 (Rs.3,670,815): India, Rs.1,753,130; United Kingdom, Rs.899,462; Finland, Rs.665,978; Norway, Rs.417,945; Sweden, Rs.318,487; Germany, Rs.279,796; Japan, Rs.123,051.

Apparel.—Total, Rs.1,096,285 (Rs.969,531): India, Rs.362,739; Japan, Rs.352,813; United Kingdom, Rs.133,860.

Zinc and Spelter.—Total, 12,264 cwts., Rs.194,653 (26,116 cwts., Rs.382,641): Australia, 8,017 cwts., Rs.96,714; Belgium, 3,260 cwts., Rs.69,768.

Hardware.—Total, Rs.4,801,903 (Rs.3,864,492): India, Rs.1,154,509; United Kingdom, Rs.1,385,152; Germany, Rs.515,531; Czecho-Slovakia, Rs.103,586; United States, Rs.420,059; Japan, Rs.444,321.

Motor Cars.—Total, 1,012 units, Rs.2,200,341 (1,041 units, Rs.2,336,880): United Kingdom, 671 units, Rs.1,364,151; United States, 78 units Rs.185,635; India, 222 units, Rs.575,436; other countries, 40 units, Rs.75,119.

Motor Trucks.—Total, 933 units, Rs.1,796,093 (731 units, Rs.1,792,459): India, 598 units, Rs.1,044,778; United States, 255 units, Rs.289,681; United Kingdom 62 units, Rs.292,090; other countries, 18 units, Rs.69,544.

Stationery, Other than Paper.—Total, Rs.1,005,747 (Rs.901,572): United Kingdom, Rs.356,639; Japan, Rs.127,219; Germany, Rs.79,600; other countries, Rs.143,246.

TRADING WITH ROUMANIA PROHIBITED

By Order in Council (P.C. 5674) of October 18, 1940, the provisions of the Consolidated Regulations Respecting Trading with the Enemy (1939) have been extended to and are deemed to apply to the territory of Roumania as proscribed territory, effective from and including October 12, 1940.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

GIFTS TO CANADIANS IN UNITED KINGDOM FIGHTING FORCES

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, in a cablegram of October 24 advises that arrangements have now been completed for admission into the United Kingdom free of duty and import licence requirement of gifts of tobacco, cigarettes, and other goods sent to Canadians in the United Kingdom forces. The Dominions Office had previously notified the Canadian High Commissioner in London that His Majesty's Government was ready to make arrangements for such concessions in regard to gifts sent to (1) members of the Dominion and Colonial Expeditionary Forces serving in or on furlough in the United Kingdom; and also to (2) men from the Dominions or Colonies serving in the British forces if consigned, not direct to the individual, but through a depot under the control of an organization which would (a) accept delivery at importation, (b) undertake responsibility for verifying that the addressee was entitled to the concession, (c) deliver the parcel or (d) notify the Dominions Office that the addressee could not be traced. To enable advantage to be taken of the concession under (2), the senior officer of the Canadian Auxiliary Services has now established a centralized scheme for carrying out these conditions which has been formally accepted by the British Customs. All such parcels should be addressed with the necessary number, rank, name and unit, care of Canadian Auxiliary Services, 6 Dilke Street, Chelsea, London, S.W.3.

MODIFICATION OF DUTY ON CERTAIN DRILLS

Under the Additional Import Duties (No. 8) Order, 1940, of the United Kingdom, effective October 1, cylindrical, helically-grooved drills, commonly known as twist drills, bit-stock drills, and machine bits for wood, not exceeding $\frac{1}{2}$ inch in diameter, became subject to the same duty as those exceeding that diameter, namely, 20 per cent ad valorem. Prior to October 1, tools of the foregoing descriptions were subject to specific duties of 6d. per dozen for those not exceeding $\frac{5}{32}$ inch in diameter and 1s. 6d. per pound for those exceeding $\frac{5}{32}$ inch but not exceeding $\frac{1}{2}$ inch in diameter, where these rates would yield a greater amount of duty than 20 per cent ad valorem.

Goods of the foregoing descriptions (other than goods exempt from duty as parts of machinery, which exemption applies irrespective of the country of origin), if satisfactorily shown to be British Empire products, continue to be admissible duty-free under Imperial preference.

Ireland

TEXTILE IMPORT QUOTAS

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that by government Orders of September 24, 1940, further import quotas for importation into Eire of woven cotton piece-goods have been fixed for the period November 1, 1940, to January 31, 1941, as follows:—

Cotton piece-goods for bed sheets, ticks of mattresses and dungarees and cotton piece-goods without pattern in colour for shirts and pyjamas, 50,000 square yards. Of this total, 49,000 square yards must come from the United Kingdom or Canada.

Cotton piece-goods which are terry, 90,000 square yards. Of this amount, 89,000 square yards are allocated to the United Kingdom or Canada.

Cotton piece-goods with woven pattern in colour for shirts and pyjamas, 200,000 square yards; 198,000 square yards to come from the United Kingdom or Canada.

Other cotton piece-goods, 9,000,000 square yards, 8,900,000 square yards of which are to come from the United Kingdom or Canada.

A further quota for woven tissues of wool and worsted exceeding 2 shillings per square yard in value was fixed at 600,000 square yards, of which total 590,000 square yards are to come from the United Kingdom or Canada for the period November 1, 1940, to April 30, 1941.

A further import quota was announced for rubber-proofed clothing, the quantity being fixed at 500 articles for the period November 1, 1940, to October 31, 1941.

CERTIFICATE OF ORIGIN FOR CANNED FRUIT

Mr. James Cormack, Canadian Trade Commissioner in Dublin, reports that a ruling has been given by the Eire Revenue Commissioners respecting the form of certificate of origin required for Canadian canned fruits. This applies to fruit preserved in water without the addition of sugar or other sweetening matter, and fruit tinned in syrup. Formerly Forms 119(Sale) and 120(Sale) were accepted, but under the present ruling Form 132(Sale) is the correct one.

Australia

CHANGES IN CUSTOMS (IMPORT LICENSING) REGULATIONS

Orders issued by the Australian Department of Customs include the following changes in the Import Licensing Regulations:—

The period for which licences to import fire hose may be issued freely is extended to November 26, 1940. The quantities covered by licences issued are to be restricted to reasonably normal requirements plus three months' stock.

Licences for the importation of steel balls for bearings (other than cycle bearings) may be issued freely as required, irrespective of quantity, value, or relationship to the applicant's importations during the base year.

The free issue of licences for the importation of needles and other knitting-machine parts, referred to in *Commercial Intelligence Journal* No. 1891 (April 27, 1940), page 648, is restricted to parts for replacement purposes.

Importations of nicotine sulphate from the United Kingdom and other sterling sources during the base year may be included with importations from non-sterling sources in establishing a basis for licences, and licences will be issued on a quantity basis.

British Honduras

WIDE RANGE OF GOODS SUBJECT TO IMPORT LICENCE

Mr. F. L. Casserly, office of the Canadian Trade Commissioner at Kingston, Jamaica, writes that a proclamation issued in British Honduras on October 9 subjects to import licence an extensive schedule of goods. Further information on these restrictions will be published on receipt of the proclamation.

Netherlands Indies

CERTIFICATE OF ORIGIN PROCEDURE

With reference to an announcement in *Commercial Intelligence Journal* No. 1912 (September 21, 1940), page 428, concerning certificates of origin for goods sent to Netherlands territory, the Acting Consul General of the Netherlands, 1410 Stanley Street, Montreal, reports that rumours seem to have spread that amendments in customs rulings in the Netherlands Indies, covering goods imported into that part of the Kingdom of the Netherlands, necessitate compliance with certain new requirements. He writes that no consular certificates, consular invoices or consular signatures of any kind are required. The position is that, as a precaution against any possibility of the enemy trading with the unoccupied parts of the Kingdom of the Netherlands, all shipments to Netherlands overseas territories must be accompanied by certificates of origin. But no specific form for these certificates is prescribed and certificates issued by Canadian chambers of commerce and boards of trade will be accepted.

Ecuador

DUTY ON PAPER BAGS INCREASED

Mr. M. J. Vechsler, Canadian Trade Commissioner in Lima, writes that an Ecuadorian decree of August 2, 1940, increased the customs duty on paper bags from 0.56 to 1.70 sucres per kilogram gross (from $1\frac{3}{4}$ to 5 cents per pound) under the normal tariff of Ecuador. Printed bags are subject to a surcharge of 60 per cent of the foregoing duty. Duties applicable to imports from Canada are those of the normal tariff plus 50 per cent thereof.

EXCHANGE CONDITIONS IN EMPIRE AND FOREIGN COUNTRIES

Northern and Southern Rhodesia

J. H. ENGLISH, CANADIAN TRADE COMMISSIONER

Johannesburg, September 16, 1940.—There have been no important changes in foreign exchange control regulations in these two Colonies during the last six months. The situation remains practically as described in the report dated March 11, 1940, and published in *Commercial Intelligence Journal* No. 1892, May 4, 1940. The salient information in that report is repeated in the following paragraphs.

Immediately on the outbreak of war both Colonies imposed regulations prohibiting the export of certain essential materials, including metals, ores and foodstuffs, except under permit. Regulations, identical with those put in force in Canada and most countries of the Empire, were also issued in both Colonies prohibiting trading with the enemy and restricting imports from certain European countries unless accompanied by a certificate of origin and interest.

Complete foreign exchange control was also introduced in both Northern and Southern Rhodesia by which, except under permit, no person other than an authorized dealer was permitted to deal in foreign exchange, including currency, gold, securities, negotiable bills of exchange, etc. In this sense "foreign"

referred to other than Northern or Southern Rhodesia as the case might be. Later, the Southern Rhodesian restrictions were modified to the extent of excluding the United Kingdom, South Africa, Northern Rhodesia, Nyasaland and the African Protectorates. Certain other minor exceptions were also made covering remittances of less than £50, etc. The Northern Rhodesian regulations were also subsequently modified to exclude from their operation all parts of the Empire, except Canada, Newfoundland and Hongkong. Egypt was placed in the same category as Canada.

Special restrictions were applied to dealings in Canadian and United States dollars, as well as in Argentine pesos and currencies of the Netherlands, Belgium, and Norway, then neutral, and Sweden and Switzerland.

While strict foreign exchange control exists in these Colonies and the Governments concerned have powers to restrict or prohibit trade, in practice no special obstacles have so far been placed in the way of traders carrying on their legitimate transactions. Canadian exchange is freely available for the payment of imports from Canada and no case of special difficulty in obtaining permits has been reported from traders in either Colony.

Brazil

L. S. GLASS, CANADIAN TRADE COMMISSIONER

Rio de Janeiro, October 8, 1940.—No changes have occurred in the exchange mechanics of Brazil during the last three months and cover for goods when imported against drafts may be obtained with only short delays occasioned by clerical operations and the time required to clear the goods through customs. It should be borne in mind that for goods imported into Brazil no exchange is granted for payment until such goods have actually entered into consumption through the customs houses of the country.

Greater delays occur in the case of goods imported on consignment, as proof of sale must be given before exchange will be granted.

The supply of foreign exchange in Brazil continues to appear adequate, although no figures are available to support this statement. The adverse exchange balances which occurred during the first three months of 1940 were offset during the second three months and a favourable balance of \$2,767,000 for the half-year was registered. During the month of July, however, this favourable balance was wiped out by an adverse balance of \$3,664,000. It is known, however, that Brazil has benefited largely from foreign exchange brought into the country by refugees from Europe and also by the transference of accounts by European residents and business houses. During the last few weeks there has been a firming tendency in milreis values which, it is reported, is due not only to the inflow of capital from Europe, but also to the financial assistance being offered and promised from the United States.

There would appear to be no reason to modify the suggestions made previously concerning export business with Brazil. Cash-against-documents terms may be readily accepted and credit up to 30 days may be extended to responsible importers. Once more it should be pointed out that, except in the case of primary materials necessary to the economic welfare of Brazil and those articles of primary necessity which are not manufactured in Brazil, letter-of-credit terms are not permitted by the financial authorities of the country.

Canadian exporters would also do well, when quoting to Brazil, to make all quotations in United States dollars rather than Canadian dollars. In this way any misunderstandings or confusion on the part of Brazilian importers may be avoided. When making such quotations, however, the exporter should give to the Brazilian importer full allowance for the depreciation of the Canadian dollar. Otherwise it will probably be found that Canadian prices are non-competitive.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING OCT. 28, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, October 28, 1940, and for the week ending Monday, October 21, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending October 21	Nominal Quotations in Montreal Week ending October 28	Official Bank Rate
Finland	Markka	.0252			
Great Britain	Pound	4.8666	\$.0219	\$.0219	4
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.0073	....	6
Hungary	Pengo	.1749			
	Official		.3227	.3227	4
	Unofficial		.2149	.2149	—
Yugoslavia	Dinar	.0176	.0249	.0249	5
Portugal	Escudo	.0442	.0442	.0442	4-4½
Roumania	Leu	.0060	....	....	3½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2644	.2643	3½
Switzerland	Franc	.1930	.2573	.2575	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2262	.2262	3
Cuba	Peso	1.0000	....	....	—
Guadeloupe	Franc	.0392	....	....	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	....	....	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2636	.2597	—
Brazil	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0557	.0553	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0573	.0573	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6326	.6326	4
Peru	Sol	.2800	....	....	6
Venezuela	Bolivar	.1930	....	....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4207	.4207	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.6000	4.6000	—
China (Shanghai)	Dollar	....	.0633	.0662	—
Hongkong	Dollar	....	.2543	.2566	—
India	Rupee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	....	....	—
Thailand (Siam)	Baht (Tical)	.4424	....	....	—
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5760	3.5760	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

There was no change in official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds during the week ended October 28. These were quoted at \$4.43-\$4.47 and \$1.10-\$1.11, respectively. At New York sterling free market rates indicated a slightly stronger tone, closing quotations for the week at \$4.04, being up 1 cent net. In the same interval Canadian funds at New York held within narrow limits, finally finishing ⅔ of a cent higher at 87 cents. Montreal rates for the Swiss franc, following a drop to 25.71 cents on the 22nd, subsequently advanced to 25.76 cents at the close as against 25.73 cents on October 21. Following recent strength, Latin-American units have reacted moderately, the Argentine peso (free rate) dropping 39 points to 25.97 cents between October 21 and 28. Among Far Eastern units, both Hongkong and Shanghai dollar rates were higher, the former closing at 25.66 cents and the latter at 6.62 cents.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Commodity	No.	Location of Inquirer	Purchase, Agency or Indent
Foodstuffs—			
Beer in Bottles.....	642	Port of Spain, Trinidad...	Purchase and Agency.
Gelatine in Sheets and Powder ..	643	Mexico City, Mexico.....	Agency.
Miscellaneous—			
Toilet and Hairdressing Lines...	644	Birmingham, England.....	Indent.
Cutlery, Cheap Lines.....	645	Birmingham, England.....	Indent.
General Hardware.....	646-7	Birmingham, England.....	Indent.
Steel Hinges.....	648	Birmingham, England.....	Indent.
Shovel Blades.....	649	Birmingham, England.....	Indent.
Builders' Supplies, including Sanitary Earthenware.....	650	Birmingham, England.....	Indent.
Dairy Utensils and General Hardware.....	651	Birmingham, England.....	Indent.
Sanitary Ware.....	652	Birmingham, England.....	Indent.
Furniture and Fittings, including Metal Bedsteads.....	653	Birmingham, England.....	Indent.
Toys (cheap varieties), including Dolls.....	654	Birmingham, England.....	Indent.
Clothing (Cheap Lines).....	655	Birmingham, England.....	Indent.
Electric Distribution Equipment for Automobiles.....	656	Cairo, Egypt.....	Purchase and Agency.
Glassine Paper.....	657	Brisbane, Australia.....	Purchase and Agency.
Wood-pulp.....	658	Valparaiso, Chile.....	Agency.
Elk Horn Tips.....	659	Los Angeles, California....	Purchase.
Fine Chemicals, such as Iodine and Quinine Salts.....	660	Mexico City, Mexico.....	Agency.

COMMERCIAL INTELLIGENCE SERVICE

H. W. CHENEY, *Acting Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.1. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 331, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: G. R. HEASMAN, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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No. 1919



Loaded Tobacco Wagon in a Quebec Field

ISSUED BY AUTHORITY OF
THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE
L. D. WILGRESS, DEPUTY MINISTER



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No. 1919

SOUTH AFRICAN MARKET FOR PAPER AND PAPER PRODUCTS

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, September 25, 1940.—Owing to a lack of suitable raw materials and the natural limitations imposed by a comparatively small population, the domestic manufacture of paper and paper products in the Union of South Africa is not of importance. Production, where it is being undertaken, is confined to a few products only and in any case output is insufficient to cover demand. Consequently there are substantial imports of many varieties of paper as well as of pulp board and of miscellaneous paper products. In 1939 they had a collective value of £2,099,848, which was 2.29 per cent of the value of South Africa's total external purchases.

The following table shows the value of imports of individual items in 1939:—

Imports of Paper and Paper Products in 1939

Printed paper bags	£ 24,208
Unprinted paper bags	10,183
Cardboard boxes, jars, etc., printed	22,361
Cardboard boxes, jars, etc., unprinted	9,078
Waxed jars and paper cups	17,559
Cardboard milk bottle discs	803
Cardboard, linenboard and strawboard	298,636
Newsprint in reels	368,293
Newsprint, flat	13,258
Other printing paper	462,372
Wallpaper	22,718
Kraft wrapping paper	203,036
Heavy wrapping paper	83,539
Greaseproof paper	50,585
Tissue, including foil with adherent tissue	48,962
Non-enumerated wrapping paper	100,351
Carbon paper	35,785
Transparent cellulose	34,756
Cigarette paper	61,695
Sensitized and tracing paper	60,998
Non-enumerated paper and paperware	170,972
Total	£2,099,848

DOMESTIC PRODUCTION

The South African paper industry imported 6,525 short tons of wood pulp in 1939 against 1,088 tons in 1938, which is indicative of its growth. Otherwise recourse has to be made to such raw material as is obtainable locally, such as straw, waste, bagasse and a little bit of wood. The largest undertaking is located near Johannesburg and is reported to have a capacity of about 14,000 tons per annum with a production of a fairly wide range of writing, printing and wrapping papers. A second manufacturer specializes in kraft paper and industrial wrappings. In addition, chip, liner, fibre, straw and container board are produced. No details are available regarding the extent of the industry nor the volume and extent of its output, but it is in any case comparatively small.

ORIGIN OF IMPORTS

A large proportion of the Union's imports of paper and paper products came from Europe, particularly the Scandinavian countries, and Finland. With the outbreak and subsequent spread of the war, supplies from this source were either greatly curtailed or completely stopped. This has been particularly true of such important items as cardboard and kraft wrapping paper. In 1939, for instance, approximately 60 per cent of the imports of cardboard, linen-board and strawboard came from the Continent. To-day small quantities may continue to leak through from Sweden and Finland, but otherwise new sources must be found. Similarly, over 90 per cent of the kraft imports originated in Europe, principally in Sweden.

Among all the products or groups of products listed in the preceding table, a varying proportion came from sources which are now closed. Consequently good openings exist for any Canadian manufacturers who have surplus tonnage for disposal. Competition is now largely with the United Kingdom and the United States. The value of the leading imports in 1939 from these two countries was as follows:—

Paper Imports from the United Kingdom and the United States

	United Kingdom	United States
Printed paper bags	£ 3,619	£ 9,693
Unprinted paper bags	4,903	889
Cardboard boxes, jars, etc., printed	12,945	7,704
Cardboard boxes, jars, etc., unprinted	5,205	1,392
Waxed jars, paper cups, etc.	8,810	6,762
Cardboard, etc.	48,457	53,695
Newsprint in reels	65,571	.....
Other printing paper	217,406	9,617
Wallpaper	22,119	16
Heavy wrapping paper	6,553	12,502
Tissue	2,535	9,661
Wrapping paper n.o.p.	63,146	1,518
Carbon paper	31,381	3,243
Transparent cellulose	26,482	4,421
Cigarette paper	23,649	.....
Sensitized and tracing paper	47,891	919
Paper and paperware, n.o.p.	82,930	38,846

PAPER IMPORTS FROM CANADA

The value of all paper and paper products imported from Canada into South Africa in 1939 was £324,684, which was slightly less than 9 per cent of all imports from Canada. Newsprint alone accounted for £273,646 and was thus by a wide margin the most important item, as far as paper is concerned.

No newsprint is produced within the Union and Canada is the principal source of supply, having been responsible in 1939 for 72 per cent of all newsprint imports. The United Kingdom was the principal competitor, with small additional quantities from Newfoundland, Finland and Sweden. As far as the current period is concerned, Canada's relative position is being maintained, while Newfoundland has increased her volume at the expense of the United Kingdom.

All other paper products coming from Canada were of small value and volume, with four exceptions. These, with the value of each, were: Cardboard, £18,032; other printing paper, £3,499; kraft wrapping paper, £13,626; and other heavy wrapping paper weighing not less than 30 pounds per ream of 480 sheets, £13,264. The value of imports of other varieties of paper products varied from twenty to a little over a thousand pounds.

IMPORT DUTY

Paper and cardboard may be imported into South Africa either free or at a comparatively low rate of duty. On all forms of printed, ruled, embossed and lithographed paper and paper products, the duty is, however, high.

Newsprint is free if from Canada, the United Kingdom or Newfoundland. Otherwise the rate is 5 per cent ad valorem. Most other varieties of plain paper are also on the free list for all countries with the exception of wrapping paper which is dutiable at $\frac{5}{8}$ pence per pound. Cardboard, linenboard, leatherboard, fibreboard, strawboard and millboard, excepting pulpboard for building purposes, are all free.

Printed paper bags, boxes and cartons pay 30 per cent ad valorem. The rate on most forms of printed paper is 40 per cent or 6 pence per pound, whichever rate shall be the higher. Paper bags, unprinted, are dutiable at $1\frac{1}{2}$ pence per pound, and unprinted cardboard boxes at 20 per cent ad valorem.

CONSUMPTION

While no up-to-date figures are available regarding the consumption of paper and paper products, the official Census of Industry for the period 1936-37 contains a certain amount of information which is a guide. At that time 395 printing and publishing establishments were listed, employing a total of 10,061 persons, and having a net output valued at £4,476,422. Details of their consumption in 1936-37, and for two preceding periods, were as follows:—

Consumption by Printers and Publishers

	1932-33	1934-35	1936-37
Newsprint	£258,362	£ 360,958	£ 524,489
Paper for books, job printing, etc. . .	556,457	654,598	828,784
Cardboard	62,510	66,786	94,141
Cloth	16,951	12,384	14,719
Leather	4,515	4,145	4,692
Ink	41,560	50,256	61,101
Other materials	43,838	67,296	115,013
Total cost of materials used	984,195	1,216,423	1,642,939
Cost of South African materials used	5,472	4,075	27,102
Cost of imported materials used	978,723	1,212,348	1,615,837

The quantity of newsprint used during the three periods, 1932-33, 1934-35 and 1936-37, was 14,023 short tons, 21,775 tons and 36,134 tons. These, as well as all the above figures, illustrate the growth of the consumption of paper and allied products as well as the dependence of the industry on external sources of supply. The rate of increase can be regarded as having continued up to the present with probably an accompanying upward swing in the value of local materials utilized.

The Census of Industry also lists the values of the articles manufactured or produced by the same publishing establishments from the raw materials noted above. These were as follows:—

Value of Production by Printers and Publishers

	1932-33	1934-35	1936-37
Newspapers, magazines and other periodicals	£1,923,591	£2,338,646	£2,870,785
Job printing	1,730,178	2,073,606	2,672,738
Stationery	225,173	303,405	435,077
Paper bags and cardboard boxes	101,754	119,630	118,020
Other articles	63,722	63,525	58,535

There are approximately 450 newspapers, magazines and journals published in the whole of the Union of South Africa. These include everything from the large metropolitan dailies to small monthly or quarterly publications catering to only a limited cultural or scientific clientele. No particulars are available regarding circulation.

The South African Directory of National Manufacturers lists 79 makers of cardboard boxes, containers and cartons. Some of these are, in addition, engaged in the publishing business. There are also 9 separate manufacturers of corrugated cardboard containers.

SELLING METHODS

Paper and paper products are commonly sold in South Africa through the medium of a sales agent acting as exclusive factory representative. Many of the larger Scandinavian and other European manufacturers effected all their sales by this method. In addition, there are a number of large wholesalers who act as exclusive importers and distributors, and for some articles this method is commendable. There are also some among the larger consumers who are prepared to purchase direct and in substantial quantities.

Any Canadian paper manufacturers or exporters who are desirous of entering or extending their activities in the South African market should communicate with the Canadian Trade Commissioner, Cape Town, submitting full particulars.

UNITED KINGDOM CONTROLLED PRICES FOR CANADIAN HONEY

The Animal Products Trade Commissioner in London advises that the Ministry of Food have issued an Order fixing the maximum prices for honey imported into the United Kingdom as follows:—

1. Except under and in accordance with the terms of a licence granted by the Ministry of Food, no importer shall buy or offer to buy any honey described in the first column of the schedule to this Order at any price exceeding the maximum price therefor specified in the second column of the schedule.
2. The maximum prices specified in the said schedule are fixed on the basis of delivery on board on arrival of the ship at United Kingdom port and include all costs and charges of and incidental to such delivery and all costs and charges of and incidental to insuring the honey against marine and war risks, provided that the said maximum prices may be increased by additions made in accordance with the provisions of this Order.
3. Where honey is packed ready for retail sale in any quantity weighing 4 pounds or less, the said maximum prices may be increased by an amount at the rate of 10s. per cwt. (112 pounds).
4. This Order is subject to any directions which may from time to time be given by or on behalf of the Minister.
5. Infringements of this Order are offences against the Defence (General) Regulations, 1939.
6. This Order shall come into force on the 7th day of October, 1940, and may be cited as the Honey (Maximum Prices) Order, 1940.

SCHEDULE

Column 1 Honey	Column 2 Maximum Price on a Purchase by An Importer.
Produced in:	
A. The Dominion of Canada.. . . .	} at the rate of 65s. per cwt.
B. Any British dependency in the West Indies (including British Guiana and British Honduras).. . . .	
C. The Commonwealth of Australia.. . . .	
D. The Dominion of New Zealand.. . . .	
E. The Mandated Territory of Tanganyika.. . . .	
	at the rate of 75s. per cwt.
	at the rate of 45s. per cwt.

MR. SYKES' TOUR OF CANADA

Mr. Paul Sykes, Canadian Trade Commissioner at Bombay, India (whose territory includes Burma and Ceylon), is on tour in the Dominion in the interest of Canadian trade with his territory.

The remainder of his itinerary is as follows:—

Montreal and district.	Nov. 11 to 20	Calgary	Dec. 2
Ottawa and district	Nov. 21 to 23	Vernon and Kelowna	Dec. 4
Toronto	Nov. 25 to 27	Vancouver and Victoria	Dec. 6 to 23
Winnipeg	Nov. 29 and 30		

Canadian firms who wish to be brought in touch with the Trade Commissioner should communicate for Montreal with the Montreal Board of Trade; for Toronto, Winnipeg, Vancouver and Victoria with the office of the Canadian Manufacturers Association; and for the other centres with the respective Board of Trade or Chamber of Commerce.

ACCUMULATION OF SECURITY STOCKS IN AUSTRALIA

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, September 28, 1940.—With a view to building up emergency stocks of certain raw materials essential to Australian manufacturers, the Commonwealth Government has announced the conditions under which it will co-operate with firms in building up security stocks of essential materials imported from overseas. Stocks are to be built up to the value of about £10,000,000. The principal products at present being dealt with under the scheme are as follows: Jute (for cornsacks, woolpacks and sugar bags); tinplate (for canned goods such as meat, milk, fruit, jam, as well as for munitions purposes); rubber (for tires, shoes, boots, trench waders, ground sheets, and respirators); cotton (for canvas, duck and clothing); and industrial chemicals (such as cyanide for the gold-mining industry and ammonium sulphate for the fertilizer and the sugar industry).

Other essential imports are under consideration and will be brought within the range of the Government's proposals when the supply position necessitates such action.

The increased stocks are to be those imported in excess of the volumes held or in transit at June 30, 1940, and the Commonwealth Department of Supply and Development shall specify the amount to be classed as security stocks.

According to the conditions announced, the Government will provide import licences upon the acceptance of the arrangements by the company or firm and the Department of Supply and Development. The Government will, if necessary, assist in obtaining shipping space required and, if it is desired, guarantee a special security stock purchase overdraft account in the company's or firm's bank on the security of the proper document and on suitable conditions as to bonding or storage, releases from storage and replacement.

Where a company is prepared to purchase security stocks at its own risk without requiring from the Government either a guaranteed overdraft or guarantee against loss, the standard conditions as to import licences and averaging of costs will apply if the company so desires.

The Government, if requested, will enter into an agreement to give effect to the above principles and also to guarantee the company against loss on the realization of the security stocks, either by sale or by transfer to the

company's manufacturing account, provided the company also agrees that any profit at the time of settlement will accrue to the Government, subject to certain conditions. Included in these conditions are (a) that the value to be used as a basis for determining loss or profit be the then replacement value of the original or comparable stocks as approved by the Department of Supply and Development and (b) that the additional costs involved in respect of security stocks, namely, bank interest on necessary overdrafts, costs of storage and insurance, will be allowed by the Commonwealth Prices Commissioner in determining current prices from time to time.

The Government intends to protect the interests of all holders of stocks of essential imported commodities during any period of falling prices and during the life of the National Security Act against competition from imports purchased at prices lower than the prices at which the stocks were purchased (a) by continuing the system of import licensing and price control with that object in view; (b) by suitable pooling or other arrangements with the holders of stocks; and (c) by applying these principles in such detail and to such extent as is practicable at the time.

NOTES ON INDUSTRY IN THE SOUTHERN STATES OF AUSTRALIA

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

SHIPBUILDING YARDS ON THE RIVER YARRA

Melbourne, September 28, 1940.—New shipbuilding yards capable of turning out 12,000-ton vessels are to be established on the River Yarra at Melbourne. The site has already been allotted by the Melbourne Harbour Trust to a Melbourne firm of engineers, and negotiations are proceeding in regard to conditions of tenure. It is expected that within three or four weeks all other negotiations connected with the project will be completed, and the firm will go ahead with the construction of building ways, machine shops and plant. There will be two slipways to take ships up to a length of 600 feet. Although vessels that eventually will be built at the yards will be as big as the largest and most modern cargo liners visiting Australia, no launching difficulties are expected, because opposite this site there is a swinging basin with facilities stated to be equal to any on the Clyde. It is reported that hundreds of men will be employed in the yards, and the company does not expect that shortage of labour will present difficulties.

DISCOVERY OF TIN ON THE WEST COAST OF TASMANIA

A discovery of alluvial tin was made recently near Williamsford on the west coast of Tasmania. Following up from the alluvial ground, a lode was picked up. This has been intercepted by a short cross-cut, and driving on the lode has been begun. From a distance of 7 feet a large quantity of ore is already at grass. A parcel of three tons was sent to the Mt. Bischoff mill at Waratah, Tasmania, for treatment and gave a recovery of 196 pounds of tin. Surface trenching across the line of lode at intervals has proved the outcrop for about 300 feet in length, and at an elevation on the hill this gives approximately 300 feet of backs. The discovery is crossed by an old narrow-gauge tramway that provides an easy means of establishing modern transport.

The production of tin in Tasmania has substantially increased since 1929, when the metal produced amounted to only 640 tons. For 1937 the total output amounted to 1,090 tons of tin valued at £260,673, an increase of 86 tons in quantity and £54,017 in value over production in the previous year. The

mines engaged in the production of tin are well equipped to deal efficiently with the deposits recently opened up.

RECORD POTATO CROP IN TASMANIA

The potato yield per acre in Tasmania this year is a record one. It is estimated that the 28,000 acres under cultivation will yield more than 1,500,000 bags or about 105,000 tons. Although the acreage under cultivation is smaller than in previous years, the record yield per acre is attributed to more intensive and scientific methods employed by growers. The Commonwealth Prices Commissioner has announced that from September 16, 1940, the price of Tasmanian potatoes on the Sydney market will be £15 (approximately \$54 Canadian) per ton, and in Melbourne Tasmanian potatoes are now selling for up to £15 15s. (approximately \$56.70 Canadian) per ton.

EXPERIMENTAL CULTIVATION OF PLANTS FOR THE PRODUCTION OF DRUGS AND MEDICINES

At the request of the Defence Authorities and the Medical Research Council, the Commonwealth Council for Scientific and Industrial Research, Melbourne, is conducting investigations to determine the extent to which Australia can make herself self-sufficient in drugs and medicines obtained from plants and trees.

One of the chief plants being cultivated is the opium poppy plant, from which morphine is derived. This plant is now being grown experimentally at Canberra and in Tasmania, Victoria and Queensland. It is estimated that 450 acres of poppy plant would be sufficient for Australia's requirements.

Experiments are also being made with *Strichnos nux vomica* for producing strychnine, *Cinchona* for quinine, and *Ephedra* for ephedrine. Duboisia, which grows plentifully in New South Wales and Queensland coastal districts, is a prolific source of drugs used in mild anaesthetics.

USE OF WHEAT GERM IN WHITE BREAD IN NEW ZEALAND

C. B. BIRKETT, ASSISTANT TRADE COMMISSIONER

Auckland, October 4, 1940.—Considerable interest has been aroused in New Zealand by the announcement of the development of a new baking process, evolved by the Wheat Research Institute, to enable the nutritive qualities of the wheat germ to be included in bread made from white flour. It is claimed by the Institute that white bread can thus be given the advantages of whole-meal bread. The new bread is not intended to replace whole-meal bread, the beneficial qualities of which, apart from the vitamin content, are fully recognized.

That the health-giving vitamin B1 exists in the wheat germ in rather high proportions has long been recognized, but it is stated that the problem of introducing it into white bread in such a way that the palatability and keeping qualities of the bread are not affected had not been solved until the discovery of this new process. The Minister of Health, in announcing the development of this process, pointed out that, although there is nothing new in adding vitamin B1 to white bread, the New Zealand method has many advantages over those now practised in the United States and in England, particularly when soft flour is used.

ESSENTIAL FEATURES

The feature which distinguishes the New Zealand process from others is the pre-fermentation of the wheat germ with the yeast before addition to the

flour, by which the injurious effect of the germ on the texture and volume of the loaf is removed. Exhaustive trials over a period of a year have resulted in a loaf of fine texture, good appearance, a taste practically indistinguishable from that of ordinary white bread, and a content of 10 per cent of wheat germ. This percentage compares with 2 per cent for whole-wheat bread. The special advantages of the process from the point of view of the flour miller and the baker is that it requires no special treatment of the germ at the flour mill, and is designed to interfere to a minimum extent with the normal baking procedure.

It is known that one or two processes aimed at including wheat germ in white bread have been in use in New Zealand for some years but have been protected by patents. The Wheat Institute have now made their process available to all bakers and consumers—a process which the Director of the Institute states is entirely new. No additional cost to the baker is involved in the purchase of the germ, and the new loaf retails at the same price as the ordinary loaf—i.e. 6d. (approximately 9 cents Canadian) per two pounds.

It is too soon to form a reliable estimate of the public's reception of the new bread but, according to authorities in the trade and eminent dieticians, there is a good future for it, since consumers will readily respond to this improvement in a staple and protective food. The extravagant claims often made for the nutritive properties of the germ are, however, largely discounted.

It is of interest to note that all flour used in New Zealand is milled locally from domestic and Australian wheat, both of which are of the soft variety. In the absence of Canadian flour, which has not been imported since 1938, improvers are used to make up in part for the low percentage of gluten.

IMPORTS INTO HONGKONG FROM BELGIUM IN 1939

P. V. McLANE, CANADIAN TRADE COMMISSIONER

(All values are in United States currency)

Hongkong, September 16, 1940.—The cessation of imports into Hongkong from Belgium has afforded an opportunity for the substitution in this trade of supplies from other countries. The following brief statistical summary of imports into the Colony from Belgium during 1939 is presented for the information of Canadian exporters who may be in a position to participate, if only to a small extent, in the trade formerly enjoyed by Belgian manufacturers.

PRINCIPAL IMPORTS FROM BELGIUM

Imports into Hongkong from Belgium during 1939 were valued at \$1,466,307 and accounted for 0.98 per cent of the Colony's total import trade for that year. Practically 80 per cent of these imports were made up of two principal groups—metals and manures.

The following were the principal imports, together with values for groups and main contributing items:—

Metals.—Imports were valued at \$708,613, made up as follows: Iron and steel bars, \$325,838; zinc sheets, \$100,583; wire nails, \$39,987; galvanized wire, \$33,347; tank plates, \$32,305; galvanized sheets, \$27,044; empty drums, \$25,427; iron and steel sheets, \$19,481; iron and steel tubes, \$14,939; iron and steel hoops, \$11,103; pig and kentledge, \$9,489; black iron bolts, \$7,483; spelter, \$6,963; iron wire, \$5,072; and wood screws, \$2,391.

Manures.—The only item recorded under this heading was sulphate of ammonia, \$463,902.

Building Materials.—Imports were valued at \$66,543, and included: glass, \$31,890; cements, \$31,015; and miscellaneous building materials, \$3,136.

Piece-goods and Textiles.—Imports were valued at \$57,032, made up as follows: cotton blankets, \$18,929; cotton mixtures, \$16,780; cotton thread, \$8,442; light cotton fancies, \$7,140; and suitings and tweeds, \$2,043.

Machinery and Engines.—Imports were valued at \$24,572, and included: internal combustion engines, \$19,233; electrical generating machinery, \$957; and other machinery, \$2,823.

Paints.—The total value of this item was \$22,909.

Chemicals and Drugs.—Imports were valued at \$20,908, made up as follows: sulphuric acid, \$6,391; chlorate of potash, \$5,969; sodium of nitrate, \$1,396; chloride of ammonia, \$1,440; and other chemicals, \$5,361.

Foodstuffs and Provisions.—Imports were valued at \$16,894, the principal contributing items being chocolate, \$10,714; and canned vegetables, \$5,768.

Railway Materials.—The only item appearing under this heading was iron and steel rails valued at \$15,437.

MARKET FOR PEAT MOSS IN THE WESTERN UNITED STATES

B. C. BUTLER, CANADIAN TRADE COMMISSIONER

(All values are in United States dollars; quantities are in short tons)

Los Angeles, October 22, 1940.—Peat moss has had a variety of uses in Europe for many years, but import statistics show that its value has not been appreciated in North America until comparatively recently. In 1924 total United States imports were less than 5,000 tons valued at \$65,853. Imports in 1938, the latest year for which complete figures are available, totalled slightly over 62,000 tons valued at \$1,092,942, and the average value per ton had increased from \$13.31 in 1924 to \$17.61 in 1938.

TOTAL IMPORTS

Total imports of peat moss into the United States during 1938, with the main countries of origin and average values per ton, were as follows:—

United States Imports of Peat Moss in 1938

	Tons	Value	Average Value Per Ton
Germany	32,483	\$525,564	\$16.23
Sweden	13,506	282,284	20.88
Holland	5,990	65,968	11.00
Canada	3,562	91,167	26.00
Latvia	1,427	34,166	23.92
Estonia	1,332	26,514	20.00
Russia	1,280	25,455	19.87
Denmark	1,106	17,293	15.63
Other	1,376	24,531	19.35

"Other" in the above table includes imports of quantities ranging from 70 to 650 tons from Norway, the United Kingdom, Poland and Danzig, and Finland.

IMPORTS INTO THE WESTERN UNITED STATES

Of total imports in 1938, the major portion, approximately 80 per cent, entered the Atlantic and Gulf ports from Maine to Galveston. Practically

all the remaining 20 per cent, totalling some 13,000 tons, entered the West Coast ports as shown below:—

United States Imports in 1938 by Ports of Entry

	Tons	Value
San Diego	649	\$ 10,740
Los Angeles	4,006	72,357
San Francisco	4,060	71,246
Oregon ports	324	5,639
Washington ports	3,942	97,075
Total	12,981	\$258,057

Calculated on the basis of approximately 130-pound bales, imports into these West Coast ports totalled some 225,000 bales, and into California alone about 150,000 bales. According to the trade, these totals represent fairly closely the annual consumption, which indicates that the volume of United States domestic supplies used in this area is negligible.

DOMESTIC SUPPLIES

According to the United States Bureau of Mines, "Minerals Year Book 1939," the total reserves of air-dried peat and peat humus in this country, exclusive of Alaska, are estimated at approximately 14 billion tons, and the area of the lands on which these reserves are located is believed to exceed 100 million acres. Most of this, 75 per cent, is in the states of the Upper Lakes region—Minnesota, Wisconsin and Michigan. Substantial deposits occur in other states, but not all can be developed commercially.

Production in 1938 totalled 45,933 tons valued at \$286,127, as reported by 39 producers operating in fourteen states. The States of New York and New Jersey were the main producers. Approximately 58 per cent of the total production was peat humus, 32 per cent reed and sedge peat, and only the small remainder, about 4,600 tons, was classified as peat moss and various other kinds of peat.

From the foregoing it will be seen that the production of peat moss in the United States is not yet of any importance, considering the large quantities consumed. In the West Coast states there is a small production in Washington, but it is not of commercial significance. Two or three deposits in California are at present being worked, but it is understood that the California product is of inferior quality, being strongly alkaline, whereas California soils generally require a neutral peat or preferably a slightly acid one. A deposit in Alaska is being developed, but commercial quantities are not expected for at least a year. This deposit is believed to be of high quality.

OPPORTUNITY FOR CANADIAN SUPPLIES

The import statistics given above are ample proof that a large market for Canadian peat moss is available in the Western States. With the cessation of European supplies, due to the war, and the absence of suitable or conveniently located domestic supplies, a current market is afforded for at least 13,000 tons annually, and this is capable of still further expansion if peat of the right quality is offered on favourable terms. Despite the fact that Canadian peat moss was considerably higher in price, as shown in the table of imports, a total of 3,500 tons was sold in this country during 1938. This fact suggests that the Canadian quality is satisfactory and that much larger quantities will be purchased now that Canada is practically the sole source of supply for the Western States.

It should be borne in mind, however, that with the return of peace, competition from European supplies may be expected to revive. This peat moss is produced at a labour cost which is about half that paid in Canada, and shipping costs are far below those which the Canadian producers must pay. These factors have in the past rendered impossible the general distribution of Canadian

peat moss throughout the United States. Direct shipment from Europe to the Atlantic, Gulf and California ports and by barge from New Orleans up the Mississippi to the Midwest States offered a competition that Canadian suppliers could not meet either by boat or rail. Thus the sale of Canadian peat moss in the United States was under definite geographic limitations. In the Western States British Columbian supplies were sold only in Washington, Oregon and as far south as San Francisco. South of that port the competition from Europe could not be met. With that competition removed, Canadian producers have an excellent opportunity in the Western United States. Because of higher freight charges, it is not likely that supplies from Eastern Canada could be offered advantageously, but British Columbia producers are in an especially favourable position. It is possible that, if a reputation is established for quality at a fair price, British Columbia might hold a share of the market even with the return of European competition. For this reason the use of brands and standardization in grading, packing and branding is highly recommended. This would call for co-operative action on the part of all producers.

Earlier mention was made of the California peat deposits which are being exploited. It is understood that these are not true sphagnum moss but rather peat humus or decayed vegetable matter that is powdery, dark in colour, low in absorption and inclined to be alkaline. In the opinion of authorities it is not what California soils generally require. However, these qualities can be sold because they are cheaper than the better-quality Canadian product. This suggests the desirability, in addition to the standardization referred to in the preceding paragraph, of advertising Canadian peat moss and the advantages to be gained from using it. This could be done if a simple and easily understood piece of descriptive literature of a standard type were attached to or enclosed with every bale. This is another matter in which the co-operation of all producers would be advisable, and it would be another means of assuring the retention of a share of the market when European supplies reappear.

QUALITY AND USES

The principal uses of peat moss in the Western United States, California in particular, are for soil conditioning and poultry litter. As suggested above, the market can be considerably increased with proper advertising designed to educate farmers, nursery men, orchardists, market gardeners, stock raisers and private gardeners with regard to the many other ways the material may be used to advantage. An increased variety of uses might open up a market for various qualities to the advantage of producers. At present the demand is about 60 per cent for mull (horticultural moss), and the remaining 40 per cent is divided between poultry and stable litter, the greater demand being for poultry litter.

As for the chemical analysis, a test conducted by a reputable laboratory in Los Angeles showed that a random sample of Swedish peat moss had a pH. of 3.15 and ash of 3.5; German moss had 4.3 and 1.4, and Canadian 4.0 and 0.75, respectively.

PEAT MOSS PADS

One firm interested in the trade estimated that there should be a market in California for between 3 and 4 million peat moss pads annually for use by vegetable packing and shipping concerns. The principal use is for packing asparagus. The size of pad preferred is understood to be 10½ inches by 8½ inches, with a thickness of ¾ to 1¼ inch. The thinner the pad the better, owing to saving in freight. Moreover, as the pads are sold by the thousand, more can be made from the thinner pads. Prices range from \$7.75 to \$9 per thousand, delivered to the users.

PRICE AND FREIGHT RATES

The accepted price for standard peat moss in the California market, quotations for supplies from other Western States being in proportion, depending on the freight rates from the ports, is in the neighbourhood of \$1.40 per bale, delivered to importers in San Francisco or Los Angeles. This is the price at which the latest supplies were delivered from Europe, and it has become the generally accepted standard for normal times. When excessive quantities were available and keen competition prevailed, there were occasions when European supplies were delivered for as low as \$1 per bale. At this price it is assumed that either the suppliers sold at cost or the shipping companies granted concessions in order to retain the cargo.

The rail freight rate from New Westminster to most points in the South-western United States is 72 cents per 100 pounds. This rate applies also on shipments to New Orleans. To date the coastal steamship services have declined to quote for this cargo.

The shortage resulting from the discontinuance of shipments from Europe has raised the price to importers to \$2.25 to \$2.40 per bale and the ultimate users pay from \$2.75 to \$3 after the goods have passed through several hands. It is suggested that the more closely Canadian suppliers can adhere to the normal price level the better will be their chances of holding the market should European supplies again become available.

PACKING

The Canadian standard packing in bales with plywood sides, wire strapping and gunny ends is satisfactory.

DISTRIBUTION

As stated above, shipments of peat moss pass through several hands before they reach the ultimate consumer. The successive trade channels are more or less as follows: from the original agent or importer to the large wholesale dealer, to the jobber, to the retailer, and finally to the farmer, nurseryman, citrus-grower or other ultimate user. Importers usually sell direct to large poultry co-operatives, citrus organizations and similar important operators who buy large quantities.

DUTY

Peat moss and briquetted peat material or peat moss pads, if for use chiefly as fertilizer, enter the United States free of duty. If for any other purpose these commodities are dutiable at 50 cents per ton.

CURRENT MARKET SITUATION

At time of writing the market situation, in California especially, is not altogether satisfactory. One firm, who formerly handled the distribution for all the Scandinavian peat moss and is a potential buyer of substantial quantities of Canadian, reports that its dealers are refusing to handle the product. The reason appears to be that so many producers have offered supplies, either direct or through brokers, that the old-established channels of distribution have been upset. Thus a large dealer finds that his former customers are now obtaining supplies direct from a small producer at prices equal or lower than his own. This is no doubt a temporary condition, but it is one that could be permanently controlled by a greater degree of co-operation on the part of Canadian producers in marketing their supplies. For various reasons, co-operation will not be easy, but if the industry is ever to achieve sound development and be on a basis to compete with the co-operative marketing methods practised by Scandinavian and German producers, some form of orderly marketing is essential.

EFFECT OF THE WAR ON ARGENTINE EXPORT TRADE

J. A. STRONG, CANADIAN TRADE COMMISSIONER

Buenos Aires, October 14, 1940.—The agricultural and pastoral industries provide almost 95 per cent of the total exports of Argentina. Nevertheless 580,497 workers were employed in manufacturing industries in Argentina in 1937 out of a population of approximately 13,000,000.

The industrial workers provide an important home market for Argentina's agricultural output, but the manufacturing industries depend on imported raw materials. Fuel has to be imported—all of the coal and 50 per cent of the crude petroleum—and there is no hydro-electric power. Argentina mines only lead of the base metals and has no iron mines. The requirements in lumber and paper have to be imported. Consequently her manufacturing industries are largely artificial.

Since Argentina has developed her manufacturing industries under heavy tariff protection and has based them largely on imported raw materials, and since the returns from her export trade—which provide the exchange to pay for these raw materials—derive from her agricultural industries, it is apparent that anything seriously changing the export demand for agricultural products must immediately and vitally affect the entire economy of the country. Continental Europe normally took from 40 to 50 per cent of Argentina's exports before the war. Consequently the closing of European markets in May and June last represented a turning-point in the general economic and business situation in Argentina.

Argentine interest in Europe is indicated by the fact that during the first six months of 1940, Argentina exported to Continental Europe: chilled beef, 32,002,000 pounds¹; frozen beef, 144,844,000 pounds¹; offals, 1,870,000 pounds; meat meals, 6,448,000 pounds; frozen mutton, 3,990,000 pounds; and canned meats, 4,502,000 pounds. In addition her exports included: hides, 64,000,000 pounds; wool, 77,000,000 pounds; and lard and tallow, 44,000,000 pounds. The markets for these commodities are lost temporarily.

In addition the Continent takes 40 per cent of Argentina's wheat exports, 45 per cent of the corn and 61 per cent of the flaxseed. These items alone comprise 85.9 per cent of the total export trade of Argentina.

For the first year of the war, the main items of export from Argentina showed comparatively little change in volume as against the corresponding previous years. During that period Argentina exported 1,475,774,672 pounds of meats of all kinds as compared with 1,473,750,850 pounds during the corresponding period of 1938-39, and the aggregate value showed an increase of 11 per cent. However, a downward trend was evident after May, and this trend became more pronounced each month. The following table will illustrate the position:—

Argentine Exports of Animal Products and Grain, 1937-38 to 1939-40

	Sept.-Aug., 1937-38	Sept.-Aug., 1938-39	Sept.-Aug., 1939-40
Animal products—	Thousands of Pounds		
Chilled beef	872,754	767,063	733,396†
Frozen beef	238,595	251,338	258,786
Frozen mutton	113,264	106,273	155,590
Tinned beef	155,770	196,166	189,852
Frozen pork	46,949	29,645	15,258
Hides	283,188	338,100	306,318
Wool	230,679	299,187	203,132
Butter	21,236	17,963	28,757

¹ For allied armies largely. † Shipped frozen.

Argentine Exports of Animal Products and Grain—Concluded

	Sept.-Aug., 1937-38	Sept.-Aug., 1938-39	Sept.-Aug., 1939-40
Grain—	Thousands of Bushels		
Wheat	68,466	128,159	169,272
Corn	166,551	149,092	96,443
Flaxseed	47,073	55,873	34,777
Oats	28,811	17,237	22,978
Barley	10,118	9,799	17,295
Flour	908*	1,051*	982*

* Barrels.

The drastic effect on the Argentine economy of the closing of the European markets is indicated by the decreases, shown below, in the volume of the principal commodities exported during the four months from June to September, 1940, after the invasion of Western Europe, as compared with exports during the previous four months.

Argentine Exports of Animal Products and Grain in 1940

	1940			
	Feb.-May	June-Sept.	Inc. or Dec.	Inc. or Dec.
Animal products—	Thousands of Pounds			Per Cent
Chilled beef	243,934	191,386	— 52,548	— 21.5
Frozen beef	115,133	27,320	— 87,813	— 76.2
Frozen mutton	65,621	27,334	— 37,917	— 57.7
Tinned beef	30,113	109,870	+ 79,757	+264.8
Frozen pork	3,021	858	— 2,163	— 71.6
Hides	105,435	81,720	— 23,715	— 22.5
Wool	87,524	33,011	— 54,513	— 62.2
Butter	4,788	9,186	+ 4,398	+ 91.8
Grain—	Thousands of Bushels			Decrease Per Cent
Wheat	54,470	47,679	6,791	12.5
Corn	40,086	17,274	22,812	57.0
Flaxseed	16,862	2,781	14,081	83.5
Oats	9,536	1,035	8,501	89.1
Barley	11,660	1,658	10,002	85.7
Flour*	346,218	221,941	124,277	35.9

* Barrels.

MARKET OUTLOOK

The following comments on individual items of export from Argentina cover some 85 per cent of all exports from this country:—

WHEAT

Argentina has lost 40 per cent of her normal outlets for wheat due to the closing of European markets. There was a poor wheat crop last season. As a result, she will be able to finish the present crop year, which ends on December 1 next, with virtually no carry-over for next year.

Argentina exported 128,000,000 bushels of wheat during the first nine months of the present crop year to September 1, 1940, and on that date had only 17,000,000 bushels left to export during the final three months of the year. The Argentine Government was able to withdraw the guaranteed minimum price due to the present short crop, but it seems probable that the guaranteed minimum price policy will be revived if the next crop is a normal one or better.

While Argentina has no wheat surplus problem at the moment, the outlook as regards markets for the new crop is very obscure. Brazil normally takes up to 40,000,000 bushels of Argentine wheat annually and, under a recent agreement between the two countries, may take another 10,000,000 bushels, or around 50,000,000 bushels, next year. The remainder would have to go almost entirely to the United Kingdom.

The following figures illustrate the relative importance to Argentina of Continental Europe as a consumer of Argentine wheat:—

Argentine Wheat Exports

	1936	1937 Figures in	1938 Bushels	Average 1936-38	Per Cent
United Kingdom	5,949,271	25,534,080	10,587,733	14,023,695	15.3
South America	37,506,213	39,437,708	43,038,301	39,994,074	43.9
Others	305,897	1,409,126	282,898	665,974	0.8
Sub-total	43,761,381	66,380,914	53,908,932	54,683,743	60.0
Continental Europe.	15,404,200	76,434,631	17,379,747	36,406,193	40.0
Total	59,165,581	142,815,545	71,288,679	91,089,936	100.0
Per Cent to Continental Europe	26.0	53.5	24.3	40.0	

CORN

Argentina has a serious corn marketing problem due to the loss of export outlets in Europe, which normally took 45 per cent of her crop. On September 1 last, Argentina had an export surplus of 281,000,000 bushels of corn. The Argentine Government estimated that between September 1, 1940, and March 31, 1941, or to the end of the corn crop year, there were only export markets in sight for 40,000,000 bushels. Since corn cannot be stored far, if at all, into a new crop year with the facilities available in Argentina, some other use must be found for probably \$100,000,000 worth of corn. Some corn may be burned as fuel. Argentina has virtually no export markets for pork or pork products, so that the corn cannot be fed to pigs above the normal pre-war requirements for that purpose. The Argentine Government has guaranteed the farmers a price of 4.75 pesos per 10 kilos.

The Argentine farmers are now planting their 1940-41 corn crop. No official measures have been taken to discourage planting a normal acreage. The farmers seem to be confident that a price will be guaranteed again, although only when the war is over is there likely to be any revival of export outlets for corn.

The dependence of Argentina on Continental Europe as a market for her corn is indicated in the following table:—

Argentine Corn Exports

	1936	1937 Figures in	1938 Bushels	Average 1936-38	Per Cent
United Kingdom	143,333,650	124,250,736	39,160,000	102,248,129	37.8
United States	37,640,200	42,366,333	58,937	26,688,490	10.1
Others	25,339,241	31,331,433	1,261,336	19,310,670	7.3
Sub. total	206,313,091	197,948,502	40,480,273	148,247,289	55.2
Continental Europe.	123,674,044	159,820,980	63,541,172	115,678,732	44.8
Total.	329,987,135	357,769,482	104,021,445	263,926,732	100.0
Per cent to Cont. Europe . .	37.4	44.6	61.0	44.8	

FLAXSEED

Argentina had a poor flaxseed crop last season, so that only 7,000,000 bushels were left for export during the last three months of the present crop year to December 1, 1940. Exports during the first nine months of the crop year to September 1 last amounted to 27,000,000 bushels.

The outlook for the disposal of the forthcoming flaxseed crop, which will be harvested next December, is far from good. Europe normally takes 61 per cent of the Argentine export surplus of flaxseed, and the United States

30 per cent. The United States may be almost self-sufficient next year due to an above-normal crop just harvested. Consequently Argentina stands to lose almost 90 per cent of her normal export markets for the next crop. In addition, Argentina has lost important markets, particularly in Holland, Denmark and the Baltic countries, for oil cakes for feeding live stock.

The serious effect of wartime developments on the outlets for Argentine flaxseed are indicated in the following table:—

Argentine Linseed Exports

	1936	1937 Figures in	1938 Bushels	Average 1936-38	1936-38 Per Cent
United Kingdom.. . . .	2,332,161	3,499,127	1,395,863	2,409,050	4.0
United States.. . . .	14,384,026	26,362,546	13,325,052	18,023,875	30.1
Others	2,747,002	4,125,425	1,889,957	2,920,795	4.9
Sub-total	19,463,189	33,987,098	16,610,872	23,353,720	39.0
Continental Europe.. . .	39,116,457	36,959,532	33,198,083	36,424,691	61.0
Total	58,579,646	70,946,630	49,808,955	59,778,411	100.0
Per cent to Cont. Europe	66.7	52.0	66.6	61.0	

MEATS

The United Kingdom normally consumes some 83 per cent of all the meats exported from Argentina. This country's dependence on the British market is even greater at this time. Consequently, the market prospects for Argentine meats depend entirely on the quantity which the United Kingdom can or wishes to take from Argentina.

Argentina exported 1,476,000,000 pounds of meats during the first year of the war. This figure included 991,000,000 pounds of frozen beef, 190,000,000 pounds of tinned or corned meats, 156,000,000 pounds of frozen lamb and mutton, and 15,000,000 pounds of pork. Argentina has no longer an export outlet for pork, and live hog prices in Argentina at the end of the first year of the war were 29 per cent below the immediate pre-war level. The 1,476,000,000 pounds exported in the first year of war compares with 1,474,000,000 pounds exported during the corresponding period of 1938-39, while the increase in value was 11.2 per cent.

So far the live-stock breeder in Argentina has been affected by the war less than any other class of producer. In fact the position of the live-stock industry was improved from pre-war levels until May-June last. Since the closing of the French market, meat exports have declined. The August level of meat exports was 21.3 per cent below the January-April level, and one-third of the August exports was tinned or corned beef, whereas only 6 per cent was tinned for the January-April period. Consequently, the present level of meat exports is not only lower in volume, but the increasing demand is for the cheapest quality of meats.

The following table indicates the degree of dependence of Argentina on the United Kingdom market for meat before the war:—

Argentine Meat Exports

	1936	1937	1938	Average 1936-38	1936-38 Per Cent
	Values in Canadian Dollars				
United Kingdom.. . . .	79,422,348	84,144,935	85,986,981	83,184,755	83.5
Others.. . . .	4,668,866	7,156,584	7,342,590	6,389,347	6.5
Sub-total.. . . .	84,091,214	91,301,519	93,329,571	89,574,102	90.0
Continental Europe	5,066,040	12,805,992	12,526,278	10,132,770	10.0
Total.. . . .	89,157,254	104,107,511	105,855,849	99,706,872	100.0
Per cent to Cont. Europe	5.7	12.3	11.8	10.0	

While the United Kingdom consumed practically all the Argentine meat exports, Europe consumed 47.3 per cent of the exports of meat by-products such as tallow, lard, etc. The following table shows the distribution of these exports before the war:—

Argentine Exports of Meat By-Products

	1936	1937	1938	Average 1936-38	
	Values in Canadian Dollars			Per Cent	
United Kingdom	4,785,384	5,903,055	3,596,073	4,761,504	30.5
United States	3,029,094	3,833,001	1,718,346	2,860,147	18.3
Others	461,435	772,735	554,781	596,317	3.9
Sub-total	8,275,913	10,508,791	5,869,200	8,217,968	52.7
Continental Europe	6,628,371	9,083,019	6,422,943	7,378,111	47.3
Total	14,904,284	19,591,810	12,292,143	15,596,079	100.0
Per cent to Cont. Europe	44.4	46.3	52.2	47.3	

EXPORT OUTLOOK FOR MEATS

As previously indicated, the outlook for the live-stock breeder in Argentina depends largely on the quantity of meats that can be placed in the United Kingdom. The meat-packing plants in Argentina are now working at only around 50 per cent of capacity, due to the large stocks held and the slow export movement. There are reports that the United Kingdom may reduce her frozen-beef purchases from Argentina for the second year of the war by approximately 10 per cent, and frozen mutton and lamb purchases by 30 per cent from the level of French and British purchases for the first year of the war, or back to pre-war levels. Tinned meat purchases would be trebled, or up to 176,000,000 pounds and possibly from 9,000,000 to 28,000,000 pounds of pork would be included. Argentina would be expected to finance a substantial part of her sales by the repatriation of sterling debt.

HIDES

During the first year of the war, Argentina exported 306,000,000 pounds of cattle hides as compared with 338,000,000 pounds during the corresponding period of the previous year.

Argentina has lost 60 per cent of her normal pre-war markets for hides. During the first six months of this year 33 per cent of the exports of salt cattle hides and 65 per cent of the dry hides went to Europe. The average price for hides in Argentina last month was 37 per cent lower than the peak price since the outbreak of war and 10 per cent below the immediate pre-war price. The possibility of reducing the stocks that have accumulated since last June will depend largely on the future trend in North American demand.

The following table indicates the distribution of hides in pre-war years:—

Argentine Hide Exports

	1936	1937	1938	Average 1936-38	
	Values in Canadian Dollars			Per Cent	
United Kingdom	5,086,752	6,223,297	3,249,968	4,853,339	11.8
United States	10,292,225	10,883,979	5,119,272	8,765,159	21.3
Others	1,553,885	3,228,482	2,751,969	2,511,445	6.1
Sub-total	16,932,862	20,335,758	11,121,209	16,129,943	39.2
Continental Europe	21,770,042	30,719,617	22,631,938	25,040,532	60.8
Total	38,702,904	51,055,375	33,753,147	41,170,475	100.0
Per cent to Cont. Europe	56.2	59.2	67.0	60.8	

WOOL

Argentina exported 203,000,000 pounds of wool from the outbreak of the war until September 1, 1940, as compared with 299,000,000 pounds during the corresponding period of 1938-39.

In pre-war years Continental Europe consumed around 50 per cent of the export surplus from the Argentine wool clip, and until June of this year 45 per cent of the exports of greasy wool went to Europe and 40 per cent to North America. In August last, Argentine wool prices had fallen again to the pre-war level and were 27 per cent below the peak wartime level of last March. The new wool season begins on October 1. The following table shows the pre-war distribution of wool exports from Argentina:—

Argentine Wool Exports

	1937	1938	1939	Average 1937-39	
	Values in Canadian Dollars				Per Cent
United Kingdom	13,497,971	12,676,688	13,502,034	13,225,581	25.0
United States	8,671,054	13,838,433	6,718,443	9,742,643	18.4
Japan	3,026,333	2,486,869	969,386	2,160,863	4.1
Others	1,328,728	968,076	1,286,751	1,194,518	2.3
Sub-total	26,524,086	29,970,066	22,476,664	26,323,605	49.8
Continental Europe	23,944,133	27,092,738	28,773,873	26,603,581	50.2
Total	50,468,219	57,062,804	51,250,537	52,927,186	100.0
Per cent to Cont. Europe	47.7	47.5	56.1	50.2	

SUMMARY

Argentina received 40 per cent of all her imports of merchandise from Europe before the war, and paid for them by exporting agricultural products to Europe. The closing of the European markets, therefore, presents a serious problem for Argentina. The United Kingdom has not increased her purchases from Argentina. On the contrary, her purchases, including meats, have declined in recent months. Except in wool and hides, the United States is not in a position to consume any important part of the currently unwanted export surpluses of Argentina. At the same time, Argentina now has to buy from North America many of the necessities which formerly came from Europe.

A British mission headed by Lord Willington is now en route from London. The purpose of the mission is to study the question of carrying stocks of staple United Kingdom goods, such as cotton piece-goods, coal and tinplate, in Argentina and to discuss with the Argentine authorities the problem of the latter's export surpluses of grain and meats. The carrying of stocks in Argentina would ensure that this country will not have to use her much-needed dollars to buy these essential commodities elsewhere. It is estimated that there will be only \$60,000,000 available from regular sources for the purchase of goods from the United States during the second year of the war, whereas purchases from the States amounted to \$117,000,000 during the first year of the war.

The average annual value of United Kingdom purchases from Argentina may be estimated at £35,000,000 f.o.b. Argentine ports, and these purchases, mostly of meats and grain, are paid for with the equivalent of £18,000,000 in United Kingdom goods exported to Argentina—50 per cent in coal and textiles alone, also whisky, tinplate, railway equipment, etc.; £5,000,000 in Indian and Colonial goods—mainly jute from India; and £12,000,000 from the returns on British capital invested in Argentina. Consequently only 50 per cent of the normal United Kingdom purchases from Argentina are paid for in kind or with export goods of the United Kingdom. The earnings from British investments in Argentina have been adversely affected by the war. Railway

investments are the important item, and rail earnings are lower, due to the reduced grain movement here. The unsaleable part of the corn crop will be burned on the farms.

Argentina has taken no official action towards restricting production in any branches of agriculture. It seems probable that the country will be content for the present to continue her policy of guaranteeing minimum prices to her producers, when considered necessary, and to reduce wherever possible her purchases of imported goods.

SECOND OFFICIAL ESTIMATE OF ARGENTINE GRAIN ACREAGE

Mr. J. A. Strong, Canadian Trade Commissioner at Buenos Aires, writes under date October 28 that the second official Argentine estimate of the acreage sown under wheat and other grains shows an increase of 1.3 per cent, 1.8 per cent, 3 per cent, 1.6 per cent and 4 per cent over the figures given respectively for wheat, flaxseed, barley, oats and millet in his report of September 19 on the "Grain Situation in Argentina" published in *Commercial Intelligence Journal* No. 1914 (October 5, 1940.)

The second estimate is as follows: Wheat, 17,265,000 acres; flaxseed, 6,792,500; oats, 3,766,700; barley, 2,124,200; rye, 2,717,000; millet, 129,700 acres.

GREECE'S EXTERNAL TRADE IN 1939

HENRI TURCOT, CANADIAN TRADE COMMISSIONER

(One drachma equals about \$0.0073 Canadian)

Cairo, July 10, 1940.—Official statistics indicate that in 1939 the values of Greece's imports and exports amounted respectively to Drs.12,275,404,000 and Drs.9,199,867,000, as compared with Drs.14,761,395,000 and Drs.10,149,180,000 in 1938. There were declines of Drs.2,485,991,000 (17 per cent) in imports and Drs.949,313,000 (9 per cent) in exports, and a reduction of Drs.1,536,678,000 in the deficit of the balance of visible trade.

The above figures are summarized in the following table:—

	Imports	Exports Drs. 1,000	Trade Balance
1939..	12,275,404	9,199,867	—3,075,537
1938..	14,761,395	10,149,180	—4,612,215
Increase or decrease	— 2,485,991	— 949,313	+1,536,678

After the outbreak of war, there was a sharp decline both in imports and exports. The recession in imports was due largely to the necessity of keeping adequate supplies of exchange, and that in exports principally to lack of means of transportation to Germany.

The leading commodities most affected on the import side during the year were wheat, coal, timber for constructional purposes, iron and steel, cotton fabrics, wool yarn, and sugar. On the export side, tobacco showed a considerable decrease, while in currants and olive oil there were substantial gains.

Germany, despite the decline in her purchases and sales during the last four months of the year, remained Greece's principal market and source of supply. The other principal suppliers in order of importance were the United Kingdom, Roumania, the United States, Italy, Argentina, Yugoslavia, Egypt, and the Dutch East Indies. The chief purchasers of Greek produce, after Germany, included the United States, the United Kingdom, Italy, Netherlands, Egypt, and Yugoslavia.

TRADE WITH CANADA

In Greek official statistics the values of imports from Canada in 1939 and 1938 are recorded at Drs.114,935,000 (\$839,025) and Drs.325,487,000 (\$2,377,055), and exports to the Dominion at Drs.8,398,000 (\$61,305) and Drs.5,239,000 (\$38,244).

The decline in Greece's imports from Canada in 1939, as compared with 1938, is to be ascribed to smaller purchases of Canadian wheat, which is practically the only commodity imported from the Dominion into that country.

IMPORTS OF WHEAT

In view of the importance of wheat in Canada's exports to Greece, detailed statistics of imports of this product are shown herewith:—

Imports of Wheat into Greece

	1939 Drs	1938 Drs.
Argentina	312,037,621	56,076,349
Australia	107,554,272	665,677,051
Bulgaria	41,378,546	12,143,645
Yugoslavia		9,700
Soviet Russia	214,214,440	240,747,540
United States	26,730,925	346,106,653
Canada	114,924,614	323,386,479
Hungary	116,122,158	7,094,750
Roumania	234,520,730	467,497,372
Turkey	1,284,164	33,403,345
Other countries	17,160	5,142,730
Total	1,168,784,630	2,157,235,614

JAPAN'S GRAIN CROP IN 1940

Mr. C. M. Croft, Commercial Secretary of the Canadian Legation at Tokyo, reports under date of October 10, 1940, that, according to a statement just issued by the Japanese Department of Agriculture and Forestry, the actual yield of barley, naked barley and wheat in Japan proper, with the exception of Hokkaido, for the current year amounted to 37,181,762 bushels, 30,502,046 bushels and 63,603,469 bushels, respectively. As compared with the actual crop for last year, there were decreases of 1,170,867 bushels (3·1 per cent) in barley and 2,374,158 bushels (7·2 per cent) in naked barley, but an increase of 5,254,108 bushels (9 per cent) in wheat. As compared with the average crop for the last five years, there were increases of 3,018,819 bushels (8·8 per cent) in barley, 1,118,073 bushels (3·8 per cent) in naked barley and 15,826,393 bushels (33·1 per cent) in wheat. As the crop of wheat in Hokkaido is expected to be 1,523,017 bushels, the wheat crop in the whole of Japan proper will amount to 65,126,486 bushels, the richest harvest ever recorded for Japan.

JAPANESE RICE CROP ESTIMATE

C. M. CROFT, COMMERCIAL SECRETARY

Tokyo, October 4, 1940.—The Ministry of Agriculture and Forestry of Japan has just issued a statement of the estimated crop of rice for the current season, which is expected to total 313,072,373 bushels. This amount is 28,800,036 bushels or 8·4 per cent below the actual yield for the previous year and 10,118,360 bushels or 3·1 per cent below the average crop for the preceding five years. It was originally hoped that the rice crop would exceed 352,000,000 bushels, and the latest estimate (as at September 20) shows a substantial

drop. The following table shows the actual acreage and crop for 1939, the averages for the past five years and the current estimates for 1940:—

	Acres	Bushels
1939	7,814,831	341,872,409
Five-year average	7,853,791	323,190,733
1940 (estimate)	7,774,423	313,072,373

Of the 47 prefectures of Japan, the estimate shows that in 22 the 1940 crop will be more than 10 per cent above the average, while in 11 others the crop is expected to be more than 10 per cent below normal.

The rice planting season was normal when the plants were still in the nurseries, but at the usual time for transplanting very dry weather was experienced, with the result that transplanting was impossible in some districts and much delayed in others. Later, however, there was an ample rainfall, and for a time the weather was favourable except in one or two areas, but early in August unseasonably cold weather was experienced, which hindered the growth to some extent. Although growing conditions became better, the growing crop was damaged in some districts by wind and further rains, while in others damage was caused by insects and crop diseases.

A statement by the Governor General of Chosen indicates that the rice fields in that country this year cover 4,016,515 acres, an increase of 991,241 acres or 32·7 per cent as compared with 1939. The estimated rice crop is 104,097,687 bushels, a substantial increase of 32,892,954 bushels (46·1 per cent) in comparison with the actual crop last year and a smaller increase of 2,331,339 bushels as against the average crop for the last five years.

The authorities are reportedly not unduly alarmed at the smaller crop in Japan proper, as a measure of state control will be exercised over the rice for sale and over the distribution of imported rice. Under these circumstances it is believed that the decreased rice production will not seriously interfere with the predetermined supply and demand situation.

TARIFF CHANGES AND TRADE REGULATIONS

Australia

IMPORT LICENSING, OCTOBER-DECEMBER, 1940

With reference to the articles appearing in *Commercial Intelligence Journal* No. 1915 (October 12), page 532, and No. 1917 (October 26), page 593, Mr. R. P. Bower, Assistant Trade Commissioner in Sydney, wrote under date of October 1, 1940, as follows:—

The list of restrictions under the Australian Customs (Import Licensing) Regulations for the fourth quarter of 1940 contains only one change in category classification, namely the transfer of vacuum cleaners imported under Tariff Item 380 B 2 from 50% C-50% D to "D". This means that importations are prohibited from non-sterling countries.

Instead of reclassifying a large number of products as was done at the beginning of previous licensing periods, the Customs authorities have announced that the granting of licences will be suspended on a wide range of commodities during the current period, except where exceptional circumstances dictate otherwise. At any time during the period the Customs Department may allow licences, as in previous periods, if it is considered that such action is desirable. This step has been taken because of the inflexibility of the regulations, under which, in many cases, merchants were importing products simply because they

held quotas to do so, even though these commodities were not in great demand and local stocks were satisfactory.

The following list shows the affected products of most interest to Canada (with the tariff item within parentheses), and, where statistics are available, the value of imports from Canada and of total imports during the base year (twelve months ended June 30, 1939):—

Product (Tariff Item within Parentheses)	Imports from Canada £stg.	Total Imports £stg.
Fish, fresh or preserved by cold process (51 B)	3,471	218,194
Sardines, including sild (51 C 3)	23,042	145,578
Other preserved fish (51 C 4)	15,779	51,095
Buckles, clasps and slides for hats, shoes and other attire (106 E and F) . . . . .	.....	.....
Towels and towelling (120 C 1 b) . . . . .	.....	.....
Bath mats (120 C 1 c) . . . . .	.....	.....
Foil (148 B) . . . . .	.....	.....
Agricultural, horticultural and viticultural machinery and implements except replacement parts (160 A) . . . . .	.....	.....
Portable typewriters (169 A 2) . . . . .	.....	.....
Mowers (171 C)	763	25,086
Weighing machines (173 A)	9,754	73,261
Electrical appliances n.e.i. (180 L 2)	1,118	156,544
Brasswork, bronzework, and gunmetal work for general engin- eering, plumbing and other trades (192)	1,400	46,679
Aluminiumware n.e.i. (204 B 1)	903	14,996
Lamps, lampware and lanterns (206 A)	8,224	133,107
Manufactures of metal n.e.i. (208 A) . . . . .	.....	.....
Hand tools, wholly or principally of metal (219 B) . . . . .	.....	.....
Files and rasps (219 F)	60,776	117,859
Bronzing and metal powders (223)	4,256	26,693
Synthetic resins, oils, etc. (232 E) . . . . .	.....	.....
Plaster of paris and gypsum (234 B 2)	3,834	8,982
Porcelain for electrical purposes (237)	28,029	48,457
Cement and prepared adhesives (255 B 1)	746	24,626
Articles of wood n.e.i. (303 A)	2,501	155,325
Fancy goods n.e.i. (309 B C D) . . . . .	.....	.....
Toys (310 B)	10,928	186,540
Surface-coated paper n.e.i. (334 K)	1,174	54,756
Stationery n.e.i. manufactured principally from paper or board (340 A 1)	944	67,263
Manufactures of paper and board n.e.i. (340 C) . . . . .	.....	.....
Wooden penholders, fountain pens, pencils, and fancy pencils and pens (346 A 2 and 346 B)	6,425	124,261
Unassembled chassis, car and car type, suitable for commercial vehicles (except replacement parts) (359 D 4 a)	1,366,411	4,840,988
Asbestos packing (374 D 1)	558	59,559
Other packing (374 D 3)	435	39,059
Photographic films and plates (384 A 1, 2, 3, 4) . . . . .	.....	.....
Imitation gut (390 A 2) . . . . .	.....	.....
Sewing and embroidery silks and silk twists (393 A and B) . .	7,966	79,502
Crude asbestos	95,941	178,494

[Definite rulings were subsequently given as to the quotas, if any, to be allotted to many of these items: see *Commercial Intelligence Journal* No. 1917 (October 26, 1940), page 593].

Many of the items affected by this latest regulation were previously partially restricted, so that the change, in certain instances, is not particularly sudden. On the other hand, the figures for the base year ended June 30, 1939, do not show the effect of the war on the demand for certain Canadian products.

For example, imports of sardines from Canada during that year were valued at £stg.23,042, while Norway supplied shipments worth £stg.76,080. With the removal of Norway as a supplier halfway through the following year, Canadian shipments rose to approximately £stg.56,000 for the twelve months ended June 30, 1940, so that the effect of the prohibition of this particular line means a greater loss of business to Canada than the statistics for the fiscal year 1939 indicate. (See later announcement regarding sardines in *Commercial Intelligence Journal* No. 1915 (October 12), page 532).

There is little that Canadian firms can do to improve their position on the local market under these regulations. If the Australian agents of Canadian exporters can prove to the authorities that a definite need exists for a specific commodity, and that present stocks are dangerously low, their applications for licences will receive consideration. Should an important change in the regulations take place which will affect Canadian exports favourably or otherwise, notice to this effect will be published in the *Commercial Intelligence Journal*.

OTHER CHANGES OF INTEREST TO CANADIAN FIRMS

Unmanufactured Tobacco Leaf.—It has now been decided to admit limited quantities of unmanufactured tobacco leaf of non-sterling origin during the year ending June 30, 1941. The quantity for which licences will be issued is based upon a varying percentage of the quantity of "non-sterling" unmanufactured leaf actually used by manufacturers in the production of tobacco, cigars and cigarettes during the year ended June 30, 1940. The amount which individual firms will be able to import is based upon this factor and upon the amount of "non-sterling" leaf which they at present have in stock. If they have sufficient of such leaf to last them for six months they may import up to 85 per cent of their purchases of such leaf during the base year. The percentages allowed for the various stocks are as follows: Up to 6 months, 85 per cent; over 6 and up to 12 months, 65 per cent; over 12 and up to 18 months, 45 per cent; over 18 and up to 24 months, 25 per cent; over 24 months, 10 per cent.

When the annual allocation in pounds for each manufacturer has been determined, a price of 1s. 8d. per pound Australian currency (approximately 28 cents Canadian) is used to determine the value of the licence that may be issued. If the manufacturer can buy his tobacco for less than 1s. 8d. c.i.f. & e., he can automatically import a greater quantity of tobacco; of course, he cannot exceed the value of his licence. If his tobacco costs him more than 1s. 8d. c.i.f. & e., the value of his licence will buy him a smaller quantity of tobacco than his calculated allotment.

Rifle and Revolver Cartridges.—Owing to the difficulty in obtaining supplies of certain types of revolver and rifle cartridges from countries in the sterling area at the present time, arrangements have been made for limited purchases from non-sterling sources when the cartridges are required for utility and commercial purposes. The concession does not apply to shot-gun or to .22 rifle cartridges, and is only extended when the applicant can satisfy the Customs that suitable supplies are not available from sterling sources. Licences will not be issued to individual applicants in excess of 50 per cent (by value) of imports during the year ended June 30, 1939, from sterling and non-sterling countries, for those types of revolver and rifle cartridges to which the concession applies.

Radio Valves.—Valves for wireless receivers were previously prohibited imports. It has now been decided to admit such valves on an annual basis to the extent of 25 per cent of base-year imports; i.e., for the present three-months' licensing period licences will be made available up to one-quarter of 25 per cent of base-year values, provided that the valves imported are for replacement purposes only, and do not include any of the types that are at present manufactured in Australia. A complete list of the types that are manufactured in this country is on file with the Department of Trade and Commerce, Ottawa, and will be made available to interested Canadian firms.

Chrome Tanning Crystals.—Licences for chrome tanning crystals (tariff item 281 L 1) may be issued in each licensing period on the basis of the value of importations under that item in the base year.

Importers may supplement their base-year returns for the following commodities by the value of their purchases of such commodities from sterling areas during the base year: Oxalic acid; nicotine sulphate.

The following commodities have been temporarily exempted from the provisions of the Customs (Import Licensing) Regulations: Steel balls for bearings; carbon tetrachloride.

A memorandum has been issued by the Customs Department outlining their policy with regard to the issuing of "credits" in cases where importers have not taken advantage of their "rights" to licences. As this memorandum illustrates several other angles of the Government's import control policy, it is herewith reproduced in full:—

Attention is invited to the fact that if goods for which a licence has been obtained in a past licensing period are not imported and the licence is not used or is returned for cancellation, the licensee is not necessarily or normally entitled to obtain in the current licensing period a licence in place of the one unused or cancelled.

Actually the Regulations confer no rights whatever on an importer. The grant or refusal of a licence is absolutely in the discretion of the Minister or his delegate (*see* Regulations 9 to 14). Further, Regulation 7 (in effect) provides that no person shall apply for a licence unless he intends *forthwith* to place with the overseas supplier a firm order for the exportation to Australia of the goods described in the application.

In order to regulate the issue of licences in accordance with the needs of the monetary situation and to attain some uniformity in the treatment of individual applications, the so-called "quota" system was adopted as a convenient administrative measure for the guidance of the Licensing Officers in the various States.

Owing to the uncertain and rapidly changing credit situation, the "quotas" are subject to amendment in order to effect at any time and at short notice a greater reduction in total imports. The establishment of short licensing periods was adopted so that the imports might be kept under review and the basis on which licences are issued varied at brief intervals as the necessity arose.

The object of the Regulations is to control the value of the imports licensed from period to period. With this end in view licences in excess of the "quota" for the particular period should not be granted during any licensing period unless specific authority has been given.

The practice of making applications for what the applicant believes to be his "quota" must be strongly discouraged.

If an importer has not during a particular licensing period had occasion to apply for a licence against his so-called quota for that period any claims he may have had to licences issuable during that period lapse on the expiration of that period. It is pointed out that debits against past licensing periods are ineffective as a means of regulating imports in accordance with current exchange requirements.

In connection with "credits" for cancelled licences the following rules are circulated for the guidance of Licensing Officers:—

- (a) Credits, as authorized, may be re-established (in respect of cancelled licences), subject to the limitations specified in instructions as to the time before which the old licence is to be submitted for cancellation and the new licence issued.
- (b) Replacement licences may be issued without debit (or further debit) against the licensee's quota for the licensing period in which the replacement licence is issued in the following circumstances:—
 - (i) When a replacement licence is sought and taken out in respect of a licence originally issued in the same licensing period, i.e., when the original issue and replacement issue occur in the current licensing period—appropriate adjustments to be made where the amount of the original and replacement licences vary;
 - (ii) When a licensee who obtained a licence in the *immediately preceding* licensing period finds that he is unable to obtain the goods from the particular source and seeks and obtains a replacement licence within 3 months of the date of issue of the original licence returned for cancellation. In this case a replacement licence shall not be issued unless the licensee proves to the satisfaction of the Collector that the order for the goods was despatched overseas immediately or promptly after the issue of the original licence or the licensee (being a person who customarily orders overseas on behalf of another party) satisfies the Collector that he held the order for the relative goods from the Australian buyer at the time the application for the original licence was made.

- (c) In the case of debits standing against an importer's *current or future* allocations on account of licences issued in *respect of goods on order prior to December 1* the debits may be reduced by the amount of cancelled licences relative to "on order" goods.
- (d) In no case is cancellation to be agreed to or a debit withdrawn unless confirmation is received from the Bank that exchange has not been made available on the original licence.
- (e) In the case of any goods which have become subject to further restrictions since the original licence was issued the replacement licence must not be issued for an amount in excess of permissible imports at the date of issue of the replacement licence.

New Zealand

TARIFF DECISIONS

Recent decisions of the New Zealand Department of Customs as to the classification and rates of duty on articles regarding which question had been raised, include the following:—

Stoodite, in rod form, and stooody rod, for producing a hard surface on manganese steels, are free of duty under the British preferential tariff, but dutiable at 20 per cent ad valorem when from "most-favoured nations" and at 20 per cent ad valorem plus 22½ per cent of the duty when from other foreign countries (item 357-4).

Cast brazing rods of copper alloy, in diameters not exceeding $\frac{3}{16}$ -inch, free of ordinary duty (but subject to 3 per cent ad valorem primage duty) under all tariffs (item 448).

Pull-throughs for .22 and .303 calibre rifles, whether or not imported as spares or replacements, free of ordinary duty (but subject to 3 per cent ad valorem primage duty) under British preferential tariff, 25 per cent ad valorem plus 22½ per cent of duty under general tariff (item 321-2).

The following have been approved for admission under tariff item No. 352, free of duty under British preferential tariff, 20 per cent ad valorem when from "most-favoured nations," and 25 per cent ad valorem plus 22½ per cent of duty from other foreign countries: Electric concrete vibrators, including the electric motor; flanged porcelain rainsheds for leading-through bushings or insulators for transformers; mist humidifier, consisting of a hand-operated spray gun, length of rubber hose and a metal tube, for mist spraying or damping textiles for industrial purposes.

Bushings for bearings for machinery are to be classed as parts of the machines or appliances in which they are designed to be used.

Chevron braid for the manufacture of military chevrons, and shoulder pads of such descriptions as the Minister may approve for use by tailors in the manufacture of suits, are free of ordinary duty (but subject to 3 per cent ad valorem primage duty) from all countries (item 448).

Canadian goods under any of the items quoted above, accompanied by the prescribed certificate of origin and shipped in accordance with New Zealand regulations, are admitted under the British preferential tariff. Goods from all countries outside the British Empire are subject to general tariff rates, except where rates for "most-favoured nations" are stated.

Bahamas

EMERGENCY TAXES ON IMPORTS

The Bahamas Emergency Tax Act, effective August 12, 1940, imposes an additional duty of 5 per cent ad valorem under both the British preferential tariff and general tariff on all goods imported into Bahamas whether dutiable or duty free, with the following exceptions: Alcoholic spirits; beef, corned or roast, in tins; beef and pork, pickled and salted; chicken and dairy feed; films for projection; corn; cornmeal; fertilizer; flour; gasoline; kerosene; hominy; lard compound; matches; condensed or evaporated milk; rice; common soap; sugar, brown or white; tobacco, except fine cut; goods imported by the Governor, Imperial or Colonial Government or Army or Navy; temporary importations; imports by the Agriculture and Marine Products Board for agricultural purposes; objects of art for exhibition; articles for official use of

foreign consulates; passengers' baggage; bank notes; bullion; cargoes of vessels in distress; manures; motor cars and motor boats for temporary use; scientific instruments and appliances; specie; vessels for repairs; travellers samples.

This Act is to remain in effect until June 30, 1941, and cancels the War Relief Tax Act imposing an additional duty of 1 per cent ad valorem (see *Commercial Intelligence Journal* No. 1909; August 31, 1940, page 339).

British Honduras

GOODS SUBJECT TO IMPORT LICENCE

With reference to an announcement in *Commercial Intelligence Journal* No. 1918 (November 2, 1940), a proclamation by the Governor of British Honduras announces that for efficient prosecution of the war, it is deemed expedient to prohibit, as from October 10, 1940, except under licence from the Collector of Customs, importation into British Honduras of the following articles: Aerated and mineral waters; living animals and birds for food; wearing apparel; arms, ammunition and explosives; bags, trunks and valises; malt liquors; blacking and polishes; boots and shoes; household brooms and brushes; butter and butter substitutes; automobiles and parts; bicycles; carriages; cement; cheese; manures and fertilizers; chinaware; porcelain and pottery; clocks and watches; cocoa; coffee; confectionery; cordage and twine; cork manufactures; cotton; eggs; electrical apparatus; fish; watermelons; dried fruits; edible nuts; rice; wheat flour; corn or oatmeal; beans and peas; farinaceous preparations; haberdashery and millinery; hardware; hats and caps; hosiery; implements; jams, jellies and preserved fruits; jewellery; jute and jute manufactures; lard and lard substitute; leather and leather manufactures; marine machinery; musical instruments; copra; linseed and perfumed oils; painters' colours and materials; toilet preparations; pickles, condiments and sauces; plate and plated ware; silk and artificial silk manufactures; soap; spices; spirits; sugar; tea; tobacco; toys and games; umbrellas and parasols; canned, dried or preserved vegetables; potatoes; fresh cabbages and tomatoes; vinegar; wines; wood and timber; manufactures of wood; wool and woollen manufactures; cameras.

ADDITIONAL PACKAGE TAX

A British Honduras Ordinance of October 1, 1940, imposes a war surtax of 5 cents per package on goods imported into British Honduras. This tax is in addition to the present tax of 10 cents per package.

Federated Malay States

RESTRICTIONS ON FRUITS AND POTATOES ABOLISHED

A Federated Malay Notification of September 14, 1940, provides that potatoes, fresh fruits, fruits and vegetables dried and preserved, curry stuffs, onions and garlic, formerly subject to import licence from Canada and other non-sterling areas, may now be imported without restriction.

RESTRICTIONS ON SOME MACHINERY MODIFIED

Federated Malay States notifications of September 3, 1940, remove "electrical motors" and "internal combustion engines, other than marine engines driven by liquid fuel, crude oil or solar oil" from the schedule of goods prohibited importation from Canada and other non-sterling areas to the schedule of goods subject to import licence from these areas.

Chile

QUOTA ON CALCIUM CARBIDE

The British *Board of Trade Journal* of October 3, 1940, announces that a Chilean decree of May 16, 1940, published July 31, 1940, fixed the maximum quota of calcium carbide which may be imported into Chile for the period July 1 to December 31, 1940, at 22,500 metric quintals, as reduced by the amount of calcium carbide produced by Chilean factories during the preceding six months. A further decree of June 19 fixed a supplementary quota of 15,000 metric quintals which can be imported during the same period.

Netherlands Indies

IMPORT QUOTA EXTENSIONS

Mr. J. L. Mutter, Canadian Trade Commissioner at Singapore, has supplied the Department of Trade and Commerce with a list of 90 items for which quota control of import has been extended into 1941. In general, the items include crockeries of all types; metal wares; hoop iron; reinforcing bars; iron alloy tubes and fittings; galvanized iron sheetings; iron ware of all types; iron screws and spikes; screw nails; electric copper wire; copper and bronze, including builders' hardware of these materials; zinc alloys in bars and sheets; sarongs and closely woven multi-coloured dress materials; soaps; sewing thread; cast iron frying pans; and all types of piece-goods.

EXCHANGE CONDITIONS IN EMPIRE COUNTRIES

Nyasaland

J. H. ENGLISH, CANADIAN TRADE COMMISSIONER

Johannesburg, September 16, 1940.—On the outbreak of war the Protectorate Government, fully equipped with emergency powers, immediately imposed regulations prohibiting the export from the Protectorate of certain essential materials including metals, ores and foodstuffs, except under permit. Regulations, like those in force in Canada, were also issued prohibiting trading with the enemy and restricting imports from certain European countries unless accompanied by a certificate of origin and interest.

Complete foreign exchange control was also introduced in Nyasaland. Except under permit, no person other than an authorized dealer was permitted to deal in foreign exchange, including currency, gold securities, negotiable bills of exchange, etc. In this sense "foreign" referred to other than sterling. Foreign exchange control restrictions were also applied which prohibited trading in foreign currencies (that is currencies other than sterling) or the transfer of Nyasaland currency, etc., outside the Protectorate except through the medium of an authorized dealer. These restrictions were not applied to any part of the Empire, except Canada, Newfoundland and Hongkong. Special restrictions were also applied to dealings in Canadian and United States dollars, Argentine pesos and certain European currencies.

There have been no important changes in these regulations during the last six months. While strict foreign exchange control exists in the Protectorate and the Governor has powers to restrict or prohibit trade, in practice no special obstacles have so far been placed on traders carrying on their legitimate transactions. Canadian exchange is freely available for payment of sanctioned imports from Canada and no case of special difficulty in obtaining permission has been reported by traders in the Protectorate.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING NOV. 4, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, November 4, 1940, and for the week ending Monday, October 28, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending October 28	Nominal Quotations in Montreal Week ending November 4	Official Bank Rate
Finland	Markka	.0252	\$.0219	\$.0219	4
Great Britain	Pound	4.8666			
		Buying	4.4300	4.4300	2
		Selling	4.4700	4.4700	—
Greece	Drachma	.0130			6
Hungary	Pengo	.1749			
		Official	.3227	.3227	4
		Unofficial	.2149	.2150	—
Yugoslavia	Dinar	.0176	.0249	.0249	5
Portugal	Escudo	.0442	.0442	.0442	4-4½
Roumania	Leu	.0060			3½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2643	.2644	3½
Switzerland	Franc	.1930	.2575	.2576	1½
United States	Dollar	1.0000			
		Buying	1.1000	1.1000	1
		Selling	1.1100	1.1100	—
Mexico	Peso	.4985	.2262	.2262	3
Cuba	Peso	1.0000			—
Guadeloupe	Franc	.0392			—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392			—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
		Official	.3304	.3304	3½
		Free	.2597	.2578	—
Brazil	Milreis (Paper)	.1196			
		Official	.0673	.0673	—
		Free	.0553	.0553	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
		Official	.0573	.0573	3-4½
		Export	.0444	.0444	—
Colombia	Peso	.9733	.6326	.6328	4
Peru	Sol	.2800			6
Venezuela	Bolivar	.1930			—
Uruguay	Peso	1.0342			
		Controlled	.7307	.7307	—
		Uncontrolled	.4207	.4207	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.6000	4.6000	—
China (Shanghai)	Dollar		.0662	.0654	—
Hongkong	Dollar		.2566	.2566	—
India	Rupee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020			—
Thailand (Siam)	Baht (Tical)	.4424			—
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5760	3.5760	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds remained unaltered at \$4.43-\$4.47 and \$1.10-\$1.11 respectively, during the week ended November 4. In the same period sterling free market rates at New York dropped from \$4.04 on October 28 to a mid-week low of \$4.03½ but subsequently recovered to close at the former level for no net change. Canadian dollar rates at New York touched 86½ cents on October 30, while a final figure of 86½ cents was off ½ of a cent on the week. Among Latin-American units continued weakness was noted for the Argentine peso (free rate), Montreal quotations dropping 19 points to 25.78 cents between October 28 and November 4. Rates for both the Swiss franc and Swedish krona held unchanged at 25.76 cents for the former and 26.44 cents for the latter unit.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase, Agency or Indent
Foodstuffs—			
Canned Vegetables.....	661	Emmastad, Curacao.....	Purchase.
Codfish.....	662	Panama City, Panama....	Agency.
Miscellaneous—			
Electric Irons.....	663	Mexico City, Mexico.....	Agency.
Yellow Ochre (Ground).....	664	Glasgow, Scotland.....	Purchase and Agency.
Combs, Hard Rubber (Black and Mahogany Colours).....	665	Birmingham, England....	Indent.
Hardware, especially Wire Nails and Wire Netting.....	666	Birmingham, England....	Indent.
Hardware, including Metals and Machinery.....	667	Birmingham, England....	Indent.
Lighter Flints.....	668	Birmingham, England....	Indent.
Wire, Mattress and other Types..	669	Birmingham, England....	Indent.
Wire Gauze.....	670	Birmingham, England....	Indent.
Metal and Metal Products.....	671	Wolverhampton, England..	Indent.
Galvanized Chain Shackles for Haulage Tackle.....	672	Birmingham, England....	Indent.
Tubes, Bars, Sheets, etc. (Brass and Copper).....	673	Birmingham, England....	Indent.
Tools, especially Pick Axes, Sledge Hammers and Hoes.....	674	Birmingham, England....	Indent.
Wood Hoops.....	675	Birmingham, England....	Indent.

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CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

GENERAL

Annual Report of the Department of Trade and Commerce.—A review of the salient features of Canada's export and import trade and a summary of the activities of each of its Branches, including the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Service; Electricity and Gas Inspection Services; Publicity; Government Motion Picture Bureau; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a statement of Revenue and Expenditure. (Price 25 cents.)

Annual Report of the Board of Grain Commissioners.—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

Annual Report of Electricity and Gas Inspection Services.—A summary of the work of these services with statistics of revenue and expenditure, as also statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 25 cents.)

Annual Report of Dominion Grain Research Laboratory.—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with Universities, Experimental Farms and other Government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

Catalogue of Motion Pictures.—List of all films available in the Government Motion Picture Bureau, with title and brief description. It is in loose leaf form, in order that revision may be made from year to year. (Price 25 cents.)

List of Grain Elevators.—Details of all Grain Elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

Commercial Intelligence Journal.—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving Invoice Requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is an abbreviated list of publications of the Dominion Bureau of Statistics:—

Census of Canada.

Miscellaneous Statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; Institutions: hospitals, crime.

Canada, 1940. (Price 25 cents.)

Canada Year Book. (Price \$1.50.)

Trade (External), (Imports and Exports)—Annual Report, Calendar Year (Part I: Analyses; Part II, Exports; Part III, Imports; Price, \$2.00 each Part.)

Trade (Internal), Prices, cost of living, capital movements, etc. (Price 50 cents.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

News Bulletin, daily (Price \$1.50 per annum), (Weekly Price \$1.00 per annum.)

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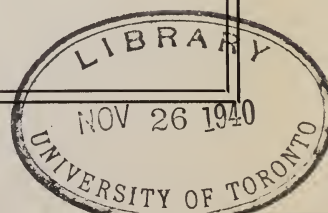
Ottawa, November 16, 1940

No. 1920



Field of Irish Cobbler Seed Potatoes in Prince Edward Island

ISSUED BY AUTHORITY OF
THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE
L. D. WILGRESS, DEPUTY MINISTER



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Vol. LXIII

Ottawa, November 16, 1940

No. 1920

BUSINESS CONDITIONS IN SCOTLAND

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

SHIPBUILDING AND ENGINEERING

Glasgow, October 7, 1940.—To meet the extraordinary wartime demands in the heavy industries of Scotland new factories have been built and equipped, engineering works extended and new plant added. Output is now much higher than ever before in the history of this part of the country, and the achievements are beyond what was considered possible a year ago. Even so the peak has not yet been reached.

The supply of skilled labour engages the active attention of the Government and the trades concerned, and a training centre has been established in Glasgow for the training of men drawn from a great variety of occupations in various branches of engineering.

During the first year of the war the outstanding feature of the huge shipbuilding program which can be made public, is the speed at which new tonnage has been made available. Most contracts have been completed ahead of schedule, very largely due to the teamwork and the enthusiasm of the managements and men for increasingly better results. The effects are seen in the fact that Great Britain began the second year of the war with her shipping resources under the British flag undiminished. Mr. Ronald Cross, the Minister of Shipping, recently stated that all losses suffered by British merchant ships since the beginning of the war, in whatever service they were employed and for whatever reason, amounted down to the middle of August to 1,900,000 tons gross. On the other hand, new additions to the British mercantile marine from all sources, including construction, purchase and capture, were just over 2,000,000 tons gross.

Nearly all European overseas trade is now carried on by ships under British control, for United States vessels are not allowed by their Government to trade with the ports of belligerent countries and the ships of the few remaining neutral countries find it better to seek employment in Atlantic and Pacific trades.

The demands made on Scottish iron and steel makers have intensified during recent weeks. The great bulk of the work on hand is for war purposes. Scrap and pig iron supplies are satisfactory, imports from overseas adding to supplies available in this country. The output of steel from the re-rolling mills is helped considerably by imports of semi-finished steel from the Dominions and the United States. Large tonnages of corrugated sheets are being produced by the re-rollers for the construction of troop hutments for the approaching winter. Tube makers are busy and boiler and power-plant producers are well provided with orders. The blast furnaces are working to capacity.

COAL

The export coal trade of Scotland has come almost to a standstill since the collapse of France, this country's most important overseas market. But the

closing of the French market has had practically no effect on employment in the industry, as the emergency stocking program, initiated by the Government for industrial and private consumers, has taken up the surplus output. There are exceptional inland demands for coal, requirements for war industries being at a high level, and there are no signs of slackening in this direction. The emergency stocks were created as a safeguard against possible interference with transport by enemy air raids.

DISTILLING

During the past quarter the whisky trade has maintained a steady turnover, and in the industrial areas and holiday resorts retail business has been good. The recent increase in prices does not seem to have greatly affected consumption. Business from abroad continues on satisfactory lines.

The grain distilleries, after being idle since last November, are again at work. There is no indication when the malt distillers will resume production. All stocks of unmalted barley have been removed by requisition of the Government, and it is most unlikely that distilling will commence this year. Only skeleton staffs remain at the malt distilleries, mainly in the North of Scotland.

EAST COAST FISHING

The fishing fleet on the East Coast of Scotland is considerably depleted because so many vessels have been taken over for mine-sweeping, but even so fishing is being carried on successfully. Supplies have not been heavy but they have been regular, and the higher prices obtained have compensated to a large extent for somewhat smaller catches. Most necessities for the vessels have been controlled and prices fixed, thus avoiding any contribution to monetary inflation. Everyone concerned in the industry is determined to keep the fleet at work and provide regular supplies for the community.

BORDER WOOLLEN TRADE

Although Germany's subjugation of one country after another has severely limited export trade except to the British Dominions and the United States, which have continued to take substantial quantities, the Border woollen trade has continued busy, especially on contract work. Home inquiries have extended and the outlook is quite promising.

Hosiery and underwear makers have felt very severely the loss of the French markets. The most cheering news in this branch is the placing of contracts for thousands of underwear garments for the Ministry of Supply. The future is uncertain.

GLASGOW TIMBER TRADE

Considerable shipments of timber have been arriving from Canada, imported by the Timber Controller. Pacific Coast woods consist of Douglas fir, hemlock and Western red cedar, while from Eastern Canada large quantities of spruce, both from Quebec and the Maritimes, have been discharged. Shipments of white pine (yellow pine) have decreased. Stocks here are larger, but third and fourth qualities of deals and boards are moving actively into consumption. Birch has been arriving in substantial quantities, and rock elm logs are also coming in.

There has been a considerable speeding up in the use of home-grown timber, and prejudices against it appear to be wearing thin.

Consumption has been steady, but house-building and cabinet-making are almost non-existent, the demand being very largely for war purposes.

UNEMPLOYMENT

The number of unemployed persons on the registers of the Employment Exchanges in Scotland at August 12 was 84,843 wholly unemployed, 16,839 temporarily stopped, and 1,735 normally in casual employment, making a total of 103,417. This was 11,074 less than the number on the register at July 15, and 82,933 less than a year before. The total on August 12 comprised 48,114 men, 4,278 boys, 43,303 women and 7,722 girls.

In the whole of Great Britain there was a decrease of 27,814 in the number of unemployed during the month ended August 12. There was a reduction of nearly 50,000 in men and women registered, but the number of boys and girls rose by nearly 22,000, owing mainly to the registration of juveniles who had reached school-leaving age at the end of the summer term. In Britain the total of 799,452 registered unemployed at August 12 was 432,240 less than the figure of the year before.

There were reductions in unemployment in the distributive trades, dock and harbour service, building and public works contracting, tailoring and dress-making, hat and cap manufacture, the entertainment and sports industries, and in shipping service. Unemployment was greater in pottery and earthenware manufacture, the woollen and worsted industry, the hosiery industry, and boot and shoe manufacture.

ADDITION OF ANEURIN TO WHITE FLOUR EXPECTED TO INCREASE BREAD CONSUMPTION IN THE WEST OF ENGLAND

E. L. MCCOLL, CANADIAN TRADE COMMISSIONER

Bristol, October 11, 1940.—The Government's decision to standardize white flour and to fortify it with aneurin (Vitamin B1) and calcium during the war is of great nutritional importance to the West of England. It has brought into vivid relief the ever-active controversy over the relative values of flour of low extraction and wholemeal.

Although the supposed weaknesses of white bread, if made the main diet, are understood, the consumption of the brown variety remains at little over five per cent of the two varieties combined. The staple bread of the cities of this area is a lean loaf. When shortening is used it falls, in the minds of many, into the category of cake. The standard brown loaf, like the white one, is made without any improver, and it is said that the majority of persons who decide to change over to it seem to hold to their resolution for a short time only. This alleged tendency to tire of brown bread does not obtain in the case of the variety which contains malt and shortening, and which costs 3½d. instead of 2½d., the price of the standard brown loaf. The quartermaster's departments of several army units in this area have asked for brown bread in the belief that its use would improve the men's physical condition. In almost every case the change over was quickly reversed as it was found that after a short time brown bread became unpopular.

WHITE FLOUR TO REMAIN DURING THE WAR

In the present emergency wheat is milled as soon as possible after arrival at grain elevators, the flour and offals being distributed to consumers throughout the country. Large stocks must not be allowed to accumulate in any one place. To spread its huge reserves of flour evenly throughout the country is part of the defence policy of the nation. To assist this dispersal further even housewives have been asked to lay in reserves where practicable. Millers have

been encouraged to persuade bakers not only to take large quantities themselves, but to secure storage space where additional flour for future purchase by the baker can be held by the miller. The rate of rent to be paid by the miller for such space is stipulated by government regulation.

Flour must be of good keeping quality, therefore, and to possess this virtue no part of the wheat germ may be left in it. Wholemeal would not be satisfactory. On viewing the situation from all angles, food officials have deemed it essential to keep these flour stocks in white form. White flour will continue, therefore, to be the staple commodity, both for reasons of national security and because the people prefer white bread. On the other hand, it is provided that wholemeal will be available at prices equal to those for white flour for those who want it.

Some nutritional experts claimed that white flour, because it lacked the wheat germ and husk, was detrimental to health; others contended that a balanced diet was one containing a sufficient quantity of the vital substance, Vitamin B1, required to maintain health. It was argued that many people have the means to obtain only a very restricted variety of foods and that white bread, as it formed the bulk of what they eat, was injurious in its effect.

It has been pointed out in recent publications that the Technical Commission on Nutrition of the League of Nations asserted that the daily need per person of Vitamin B1 was 300 I.U., but that the amount was considered by some dietetical scientists to be from 400 to 500 I.U. per day. Nutritional surveys of groups of the population in the United Kingdom indicate that the average taken per head is approximately 300 I.U. per day and therefore should be considered as subnormal.

Against this background the Government, on the advice of a committee of experts, which included medical dieticians, cereal chemists and millers, has resolved to provide for the addition to white flour of Vitamin B1. Calcium salt is also to be added. The quantities are said to be 0.2 grams of aneurin and 100 grams of calcium per sack of 280 pounds. The investigation which the Millers' Mutual Association has been making over a number of years with a view to restoring the lost Vitamin B1 is responsible in large measure for this decision. The Association has been spending hundreds of thousands of pounds annually in a national advertising campaign to increase the consumption of bread, and it was felt that there could be no better means of achieving the object in view than by offering to the public a revitalized flour, a product of first importance, which would at once "out-vitamin" the original whole grain, and provide the white variety of bread which popular taste demanded.

ANEURIN CONTENT OF FLOUR

It has long been known that a disease of the nerves, producing muscular debility and a painful rigidity of the limbs, called beri-beri, prevalent among Easterners whose diet was limited in large measure to polished rice, was due to the loss to the human system of some essential substance which the offals contained. Some fifteen years ago two Dutch scientists in the Netherlands East Indies isolated in crystal form this indispensable element, later classified as Vitamin B1. American scientists were at the same time equally advanced in this new dietary field.

There are a large number of these "accessory food factors", as they are sometimes styled. A scarcity of Vitamin A will cause night blindness, the absence of Vitamin C will make one susceptible to scurvy; Vitamin D prevents rickets; and Vitamin E has virtues which help to solve problems relating to fertility. It is held that the addition of Vitamin B1 to flour will strengthen human resistance to disease and increase national efficiency.

It is said that a 100 per cent wholemeal has an average I.U. content of 1.3 per gram as against 0.75 for an 85 per cent extraction and 0.30 for the general straight-run white flour of 73 per cent. These are rough averages, as the I.U. content of different wheats varies from 0.6 I.U. to 3.3 I.U. per gram. The average daily consumption of white flour per head of population, which is estimated at 8.6 ounces, contributes about 80 I.U. per day. The intention is to raise this to 180 I.U. by the addition of 0.2 grams (1/140th of an ounce) of aneurin per sack of flour (280 lbs.). The quantity is too small to add directly so that a diluent will be used. Most probably this will be flour itself. As calcium is also to be added to white flour, this substance may be utilized as a medium. Millers consider that the process will not be fraught with any difficulty. While wheat germ is rich in Vitamin B1, it is not expected that aneurin will be obtained from this source, as there are not sufficient quantities available for this purpose to produce enough to fortify all the white flour in the country.

FORTIFIED BREAD IS EXPECTED TO INCREASE CONSUMPTION

For reasons of health most people have been willing, even anxious, to eat brown bread, but as a steady diet few have done so as a regular practice. With the addition of aneurin there will no longer be the old argument against white bread, as it will be known that all those virtues of the whole wheat berry lost by milling are being restored to it. Consequently, many millers believe that one of the results of the fortifying of white flour, when the decision is implemented early in 1941, will be an increase in the consumption of bread.

MARKET FOR SECONDHAND CLOTHING IN WEST AFRICA

A. E. BRYAN, CANADIAN TRADE COMMISSIONER

Liverpool, October 21, 1940.—North of England firms trading with West Africa have always found a good market there for secondhand clothing.

The principal demand is from Portuguese West Africa, and in the past supplies have been bought principally from Germany and Belgium, due to the fact that prices were far lower than from other sources of supply. The clothing is definitely for native use, and consequently price is of paramount consideration.

This clothing is not bought in complete suits, but large quantities of jackets, waistcoats, trousers and overcoats are ordered separately. Only men's clothing is required.

Each type of article is packed in pressed bales. The jackets are packed 100 to the bale, waistcoats 200 to the bale, trousers about 100 pairs per bale, and overcoats 25 to 50 to the bale.

Woollen clothing, that is the ordinary cloth suit as worn in Canada, is priced separately from the lighter cotton clothing, and the two are not mixed together. There is no question of sizes or weights, and quotations are usually per jacket, per waistcoat, etc.

Prices vary according to condition. For instance, jackets might be priced at 2s., 2s. 6d. and 3s. each, according to the selection, quality and type of cloth. All articles must be in reasonably good condition, but obviously a lower price is expected for unrepaired goods than for those that have been repaired and are in first-class condition.

Clothing must be fumigated before packing. It is customary to make an extra charge for this fumigation of $\frac{1}{2}$ d. or 1d. per garment.

As regards colours, this depends greatly on the destination, but for Portuguese West Africa blue or black is usually specified.

Ordinary lounge-type civilian clothing is always separated from dress wear or dinner jackets, etc.; while uniform clothing, such as policemen's, postmen's, etc., is always quoted separately and details given of the type and any colourings.

As supplies are no longer available from such countries as Belgium, firms trading with West Africa are looking for another source of supply. Shipments from Canada would be direct to Angola via New York or Montreal.

The Canadian Trade Commissioner at Liverpool has inquiries on hand now for secondhand clothing for West Africa. Canadian firms interested may obtain further particulars by writing to the Department of Trade and Commerce, Ottawa, quoting file 22741.

MR. SYKES' TOUR OF CANADA

Mr. Paul Sykes, Canadian Trade Commissioner at Bombay, India (whose territory includes Burma and Ceylon), is on tour in the Dominion in the interest of Canadian trade with his territory.

The remainder of his itinerary is as follows:—

Montreal and district.	Nov. 18 to 20	Calgary	Dec. 2
Ottawa and district	Nov. 21 to 23	Vernon and Kelowna	Dec. 4
Toronto	Nov. 25 to 27	Vancouver and Victoria	Dec. 6 to 23
Winnipeg	Nov. 29 and 30		

Canadian firms who wish to be brought in touch with the Trade Commissioner should communicate for Montreal with the Montreal Board of Trade; for Toronto, Winnipeg, Vancouver and Victoria with the office of the Canadian Manufacturers Association; and for the other centres with the respective Board of Trade or Chamber of Commerce.

CODFISH MARKET IN THE MID-WESTERN UNITED STATES

G. R. HEASMAN, CANADIAN TRADE COMMISSIONER

Chicago, October 29, 1940.—Grouped under the heading "cod, haddock, hake and pollock," United States statistics show annual imports of approximately 55,000,000 pounds of pickled and salted fish, chiefly cod. This is the highest figure for any species or group of similar species of fish entering the United States. It includes, however, Puerto Rican imports, which in 1938 amounted to 29,000,000 pounds. Fish in this classification also comprises the most important group of salt-water fish imported into the United States from Canada. Imports of other kinds of fish, such as whitefish, lake trout, smelts and sardines, are almost as high, or higher, in value but much smaller in total quantity. Imports of cod and haddock are the largest in quantity and in value of any of the salt-water species other than canned fish, imported in 1938 and, according to preliminary figures, in 1939 also. While the statistical heading includes haddock, hake and pollock, this report deals only with cod.

Codfish in the Midwest is consumed largely by the Italian community, who know it as "bacalao" in Italy, where it is equally popular. The fish is consumed in many forms—pickled or salted, smoked, dry and unsalted, filleted, fresh, and frozen. The statistics list cod imports under six different headings.

Imports of whole dry salted cod are decreasing, being replaced by those of filleted cod, fresh cod and the frozen fillets. The explanation is that the Italians of the old immigrant class, and their now grown-up children, have come to favour the more easily prepared and filleted products. The second reason given is that, with the spread of and improvement in refrigeration facilities, it is now possible as never before to offer to the public the frozen fillets and at a reasonable price.

PICKED OR SALTED COD

Imports of pickled or salted cod through the Midwest customs districts amounted to 559,000 pounds in 1936, 554,000 pounds in 1937 and 529,000 pounds in 1938. The Midwest market for direct imports is, therefore, just over 250 tons. However, this figure is no indication of the extent of either the United States or the Midwest market for codfish in some form. Imports of pickled or salted fish into the United States for the years 1936 to 1939 inclusive are shown in the following table:—

United States Imports of Cod, Haddock, Hake and Pollock

	1936		1937		1938		1939	
	1,000 Lbs.	\$1,000	1,000 Lbs.	\$1,000	1,000 Lbs.	\$1,000	1,000 Lbs.	\$1,000
Whole, pickled or salted—								
Canada	24,807	886	24,612	970	18,567	752	25,053	1,006
Newfoundland and Labrador .. .	26,823	671	22,867	1,079	25,810	983	21,806	851
Miquelon and St. Pierre	277	6	228	11	229	7	2,578	89
Norway	242	18	221	15	165	10	659	33
United Kingdom	209	14	156	12	156	13	205	14
All other countries	3,148	102	1,551	71	1,039	53	890	60
Total	55,511	1,697	49,635	2,158	45,966	1,818	51,191	2,053
Less shipments to Puerto Rico and Virgin Islands	28,848	753	27,844	1,311	29,101	1,135	Not available	
	26,663	944	21,791	847	16,865	683	....	....
Skinned or boned, pickled or salted—								
Canada	2,453	237	2,069	206	2,185	196	2,644	198
Newfoundland and Labrador .. .	10	....	16	1	25	2	2	....
Norway	3	....	2	....	....	....	2	....
United Kingdom .. . . .	....	....	....	....	20	2	....	....
All other countries	9	2	2	1	5	1	78	6
Total	2,475	239	2,089	208	2,235	201	2,726	204

The United States market for the imported whole pickled or salted codfish is divided between Canada and Newfoundland. Canada supplies practically all of the skinned or boned codfish. A portion of the pickled or salted whole codfish is shipped to the Midwest States after it has been filleted and otherwise prepared by the United States processing industry, situated chiefly on the Atlantic Coast. The processing industry is by far the largest importer of fish under this heading.

Of the direct imports of 250 tons into the Midwest, referred to above, Chicago is the principal consumer, accounting for probably 25 per cent of the total.

GASPÉ COD

The Gaspé cod is the most popular variety in this market and commands a premium over other Atlantic and Newfoundland cod. The reason for this is found in the method of preparing the whole cod. The fish is bought by wholesalers direct or through brokers, who in turn sell it to soakers. These firms specialize in restoring the hard dry cod to a condition where it can be sold by fresh-fish dealers. Many retail firms also have trays in which they allow the fish to soak from two to three days, selling to their customers from these trays. If the fish is not of a strong, firm texture, it breaks up. Gaspé cod will withstand the soaking process without deterioration, hence the heavier demand for fish from this particular section of the coast.

The market for cod opens in the late summer, and the demand increases throughout the fall months, the bulk of the imports being delivered before the New Year. There is a market for both summer and fall cure, but the demand is largely for the latter. It is, for instance, not possible to sell summer cure in competition with fall cure, as the former is considered to be too dried out. On

the other hand the fish, whether of summer or fall cure, must not contain too much moisture. Under the heading "duties" it will be noted that codfish containing less than 43 per cent moisture is assessed a higher rate of duty than fish with a moisture content of more than 43 per cent. Notwithstanding, Chicago importers prefer to pay the higher import duty and obtain fish containing something less than 43 per cent moisture.

Of the three sizes—medium, large and extra large—the medium is the most popular. It is packed in wooden, wire-bound boxes of 100 pounds net. These boxes must have the net weight and the words "Produced in Canada" clearly marked on the outside. Failure to comply with these requirements renders the exporter liable to a fine by customs authorities, the amount of which is based on the value of the shipment.

The fish was formerly sold f.o.b. in bond Chicago railroad yards. Now, however, due to wartime control regulations, it is sold f.o.b. Canadian shipping point. The present price range is from \$7 to \$8 a box, which includes a commission of 25 cents per box to the agent or broker. Fish from areas other than the Gaspé Coast sells for less.

There is also a demand for dried salted cod in strips of about 1½ inch to 2 inches in width, middle-cut thickness, put up in boxes of 30 pounds each. This is an additional indication of the trend towards a further processed fish, even among the old Italian community.

BONELESS COD

The market in Chicago for boneless cod, like that for the whole dried cod, is also said to be declining. Import statistics do not show the quantity of boneless cod imported direct into the Midwest territory. They do indicate, however, that Canada is practically the only source of supply for United States imports of "smoked or kippered, filleted, skinned or divided cod," amounting in 1936 to 1,830,000 pounds, in 1937 to 1,875,000 pounds, in 1938 to 1,753,000 pounds, and in 1939 to 2,056,000 pounds. The figure for 1939 does not indicate, however, any falling off in imports. A further division of cod imports is shown under the heading "smoked or kippered, whole or beheaded, or eviscerated or both". These come entirely from Canada, amounting in 1936 to 930,000 pounds, in 1937 to 929,000 pounds, in 1938 to 741,000 pounds, and in 1939 to 561,000 pounds. Imports under this latter heading have gone down steadily. Canadian exporters of cod in this category, in fact in both of the above classes, must meet severe competition from the United States Atlantic processing houses, which, as previously pointed out, are the largest importers of the whole salted or pickled codfish. Canadian exporters of boneless codfish in 1-, 2- and 5-pound boxes have to contend with well advertised and well-known brands put up by the American processing firms. They also have to meet a lower l.c.l. freight rate from Boston, which the American processing houses enjoy. The superiority of the Canadian product is not considered sufficient inducement to pay the higher price required for it. The bulk of the Canadian fillets are sold to the restaurant and hotel trade.

The boneless codfish or cod fillets are consumed largely by American-born citizens rather than by those of the immigrant class. It is an entirely different trade. Before the application of the new Food and Drug Act, cod fillets were at times sold as haddock. The boneless cod, however, like the whole dried salted cod before it, is expected in the course of time to give way to the fresh frozen fillet trade which is now making such rapid strides. Sales of codfish of this type are now reported to be increasing and are expected to increase still further as more and more freezing cabinets are installed by the retail trade.

CHICAGO FISH MARKET

On the Chicago wholesale fish market the receipts of frozen codfish for the nine months ending September last amounted to 413,859 pounds as compared with 354,820 pounds for the similar period of 1939. Those of frozen haddock fillets amounted to 426,247 pounds and 389,225 pounds for the respective periods, an indication of the growing popularity of the frozen product during the current year. However, according to the United States import statistics for the Midwest customs area, imports from Canada are not increasing proportionately, as in 1936 the total imports of fresh and frozen fish into the Midwest area from the Dominion amounted to 127,000 pounds, in 1937 to 80,000 pounds, and in 1938 to 58,000 pounds, a steady two-year decline. In view of the fact that Canada is practically the only source of supply, it must be assumed that imports from Canada have declined and that the United States processing industry is benefiting chiefly from this new trend in the type of codfish consumed.

DUTIES

The duty on whole dried or pickled codfish imported into the United States is $\frac{5}{8}$ cent per pound if the fish contains 43 per cent or less of moisture and $\frac{3}{8}$ cent per pound if it contains more than 43 per cent. The duty on boneless codfish is $1\frac{1}{2}$ cent per pound.

HAY PRODUCTION IN THE WESTERN UNITED STATES

B. C. BUTLER, CANADIAN TRADE COMMISSIONER

Los Angeles, October 22, 1940.—The eleven Western States produce hay in excess of their own needs and have a small surplus for sale in other parts of the country or in export markets. This territory, therefore, is not generally one that provides a market for Canadian hay.

The average acreage devoted to the production of hay of all kinds in the eleven Western States is approximately 16 per cent of the average total in any one year for the entire United States, and the average tonnage produced in these states amounts to over 20 per cent of the nation's total. Statistics of hay production in these states are tabled hereunder:—

	1939 Area Harvested 1,000 Acres	1939 Yield per Acre Tons	1939 Production 1,000 Tons	1940 Estimated Production 1,000 Tons
Montana	1,841	1.33	2,451	2,426
Idaho	1,121	2.02	2,269	2,439
Wyoming	1,001	0.96	964	1,132
Colorado	1,381	1.31	1,812	1,947
New Mexico	160	1.74	279	296
Arizona	225	2.14	481	481
Utah	567	1.81	1,028	1,093
Nevada	321	1.44	461	534
Washington	1,017	1.89	1,925	2,001
Oregon	1,033	1.63	1,685	1,725
California	1,643	2.64	4,343	4,834
Total, Western States	10,310	1.72	17,698	18,908
Total, United States	69,245	1.22	84,526	93,052
Percentage, Western States	14.9	....	21.0	20.0

VARIETIES OF HAY AND STATES OF PRODUCTION

ALFALFA

About 65 per cent of all the hay grown in the Western States is alfalfa, the total production in 1939 being 11,175,000 tons or about 40 per cent of the total

United States production. Alfalfa is the principal field crop of California and the main feedstuff for dairy cattle. It is grown in practically every section of the state, a total of 751,000 acres being harvested in 1939. Production amounted to 3,229,000 tons, of which a small part was exported from the state. Harvesting of the crop in California and other southwestern states is carried on throughout the year, as many as 7 to 10 crops being cut from the same land.

The crop is also important in Idaho (1,855,000 tons in 1939), Montana (1,192,000 tons) and Colorado (1,186,000 tons). Production in the other Western States in 1939 ranged from 218,000 tons in New Mexico to 894,000 tons in the case of Utah.

CLOVER AND TIMOTHY

The eleven Western States produce only about 4 per cent of all the clover and timothy hay grown in the United States. Production in these states during 1939 totalled 1,412,000 tons, of which 439,000 tons (31 per cent) was grown in Washington, 307,000 tons in Montana, 182,000 tons in Idaho, 156,000 tons in Colorado, 123,000 tons in Oregon and 93,000 tons in Wyoming. California produced only 56,000 tons, Arizona and Utah about 25,000 tons each, New Mexico a negligible quantity, and Nevada none. The dry climate of the southwest is not suited to these crops.

GRAINS CUT GREEN FOR HAY

This practice is more common in the Western States than in any other part of the country, and production in this area in 1939 was 2,046,000 tons or about 54 per cent of the country's total. California with 705,000 tons was the largest producer, followed by Washington and Oregon with 423,000 and 330,000 tons respectively.

MISCELLANEOUS TAME HAY

The production of other types of tame hay totalled 1,275,000 tons in 1939, 18 per cent of the country's total. Most of the production is in Washington and Oregon, with lesser quantities in California, Wyoming and Montana.

WILD HAY

The eleven Western States produced 1,664,000 tons of wild hay in 1939 or about 20 per cent of the nation's total. Montana with 551,000 tons was the largest producer, followed by Colorado (275,000 tons), Oregon (209,000 tons), Wyoming (161,000 tons), and California (159,000 tons).

SWEET CLOVER HAY

This crop is produced in only three of the Western States, namely, Montana (77,000 tons in 1939), Colorado (23,000 tons) and Wyoming (16,000 tons).

SWEET SORGHUMS

These are grown for forage and hay in only Colorado and New Mexico. Production in these two states in 1939 was only 173,000 tons and 45,000 tons respectively.

SOY BEANS, COWPEAS AND LESPEDEZA

These crops are not grown for hay in the states with which this report is concerned.

IMPORTS AND EXPORTS

The latest complete trade statistics for hay are for the year 1938. These show that the Western States imported no hay except for a small quantity which was brought into Southern California from Mexico.

Exports from the area in 1938 were 1,883 tons valued at \$34,500. Most of this movement was from Washington and Southern California. In addition to the small export movement to foreign countries, there are sales to other nearby parts of the United States and shipments of alfalfa meal and other fodders from California by water to the Atlantic Coast. In 1938 such shipments from Los Angeles to New York, Philadelphia and Boston totalled 10,000 tons and from San Francisco 5,600 tons.

CURRENT MARKET

This year's hay crop in the United States generally, as well as the Western States, is about 10 per cent higher than in 1939 and 17½ per cent above the ten-year average.

Prices in the Los Angeles alfalfa market are firm as a result of the tendency on the part of growers to hold supplies and of the improved demand from dairymen. Grinding mills are using stocks accumulated during the period when the demand for meal was light.

In San Francisco and central California, stocks of alfalfa are larger than average due to the mild weather, permitting the use of pastures and ranges. Shipments to Southern California, where a better demand exists, are prohibited under the alfalfa weevil control measures.

Good fall pasturage and ample supplies of locally grown foods and forage are reflected in light trading in alfalfa in the Pacific Northwest.

Following are prices of alfalfa per ton in carlots on October 21 at principal Western points:—

	U.S. No. 1 Extra Leafy \$	U.S. No. 1 \$	U.S. No. 2 Leafy \$	U.S. No. 2 \$	U.S. No. 3 \$
Los Angeles.. . . .	16.00 to 16.50	{13.00 to 13.50 14.50 to 15.00}	12.00 to 13.00 14.00}	11.00	.....
San Francisco .. . . .	.....	11.00 to 11.50	10.50 to 11.00	9.50 to 10.00	.....
Kansas City.. . . .	16.00 to 18.00	13.50 to 15.00	12.00 to 13.50	.....	7.00 to 8.00
Portland.. . . .	.....	14.25 to 15.25	.....	.....	.....

MEXICAN WHEAT AND FLOUR MARKETS

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, October 24, 1940.—The production of maize in Mexico amounts to 100,000,000 bushels annually. On the other hand, the Mexican wheat crop fluctuates between 10,000,000 and 15,000,000 bushels. It is apparent from these figures that maize-consuming natives form the bulk of the population. Actually, the consumption of wheat in Mexico is limited to the leading cities and a small area in the northwest. Indian corn, or maize, has always been the staff of life in Mexico; the extensive consumption of tortillas (pancakes of crushed corn) takes the place of wheaten bread in other countries.

Accordingly, when the Mexican maize crop fails, maize has to be imported, for wheat is not a satisfactory substitute in the national diet. The first wheat raised in Mexico was accidentally introduced, it is believed, in some rice brought with the stores of the Spanish army about 1530. Mexico is, therefore, only a minor wheat market. This fact should be kept in mind when studying the Mexican market.

PRODUCTION AND CONSUMPTION

The annual wheat consumption for the whole Republic ranges from 13,000,000 to less than 15,000,000 bushels.

The following table shows the estimated Mexican wheat crop from 1934 to 1939 and the quantities of wheat milled:—

Year	Estimated Crop Kilos	Area Sown Hectares	Wheat Milled Kilos
1934	329,898,455	474,701	284,525,731
1935	298,003,650	495,377	299,832,843
1936	291,530,600	463,474	288,375,196
1937	370,307,000	510,965	346,446,323
1938	288,135,927	486,643	364,240,220
1939	324,927,205	501,623	420,654,470

The 1940 crop is estimated at approximately 350,000,000 kilos. The crop is considered a fair one due to the heavy sowing of the rapidly-maturing Mentana wheat seed from Italy. The area sown is stated to have been 572,000 hectares. It must be pointed out, however, that Mexican grain statistics cannot be depended upon for close accuracy, and that such statistical data as are available should be checked with figures from outside sources before conclusions are drawn.

The average yield per hectare is stated to be from 22 to 26 bushels, or from 600 to 700 kilos. Figures for the last six years show the yield as varying widely. It was 695 kilos in 1934, 601 in 1935, 630 in 1936, 725 in 1937, 592 in 1938, and 648 kilos in 1939. No distinction is made in these figures for the varieties of seed planted in the distinct areas.

The Mexican figures of wheat carryover are also difficult to "control". In 1934 the carryover was placed at 20,772,144 kilos and in 1935 at 27,043,749 kilos. There was stated to be no carryover in 1936, while in 1937 it was put at 17,976,468 kilos and in 1938 at 75,470,193. It would thus seem that there was no necessity for importation in 1937 and 1938. As a matter of fact, 4,932,065 kilos were imported in 1937 and 89,683,946 in 1938; while in 1936, when there was no carryover, there was also no importation.

In the case of local crop failures in Mexico, it is often more convenient to obtain supplies from the United States than from some other part of Mexico, which has a surplus. Often the cost of United States grain, after payment of duties, etc., is lower than that of Mexican, particularly in those years when the United States granted a wheat export subsidy. Thus, in estimating the annual extent of the Mexican import wheat market, in addition to the size of the Mexican crop, the prevailing prices for American wheat have an important bearing upon the quantity of wheat imported into Mexico.

WHEAT IMPORTS

Imports of wheat in the last few years have been as follows: 1937, 181,244 bushels; 1938, 3,295,706; 1939, 1,877,300; January-June, 1940, 44,659 bushels. Except for some insignificant quantities from Argentina, Guatemala and Germany, these imports were supplied by the United States.

Canada has had no share of the business since 1936. About fifteen years ago some wheat was imported from the Argentine, but since then the business has fallen more and more into the hands of the United States.

The type of wheat imported from the United States is No. 2 Northern.

TYPES OF WHEAT GROWN

No definite variety of wheat is predominantly grown in Mexico. For example, Early Bart, Hard Federation, Defiance, Amber, etc., are cultivated in the state of Sonora. Other parts of Mexico cultivate varieties such as Colorados, Blancos, Breves, Barba Negra, Cristalino. The wheat grown in the northern states, Zacatecas, Durango, Coahuila, Chihuahua, and Sonora, is considered the best. Wheat raised in the interior states of Guanajuato, Querétaro, Jalisco,

Aguascalientes, and Michoacán is of secondary quality. The lowest grade of wheat is raised in the states of Hidalgo and Tlaxcala. There is practically no hard wheat produced in Mexico, apart from a small quantity raised in the Sierra de Arteaga. Soft wheat is produced particularly in the states of Mexico, Hidalgo, and Tlaxcala. A certain amount of durum is cultivated in the region around the Laguna de Chapala; there is, also, a little amber durum to be found in Sonora.

DIFFICULTIES FOR CANADIAN WHEAT SALES

There is no prospect that Canada, although possessing in abundance the type of wheat required in Mexico (i.e. hard wheat to blend with the locally grown soft wheat), will be able to supply in the future, any more than she has been able to do in the past, any important share of Mexico's wheat imports. The proximity of the wheat fields of Texas, Kansas and Oklahoma is not the only advantage of the United States suppliers; they have also the unsurpassed advantage for the Mexican market of low prices. They have the advantage also in quality, according to Mexican standards, because their wheat is not too high in protein content. The Manitoba wheat is far superior to the No. 2 Northern, which is usually sold in this market, but to the Mexican miller No. 2 Northern is the finest grade wheat with which he wishes to blend his own soft native wheat. Higher-grade hard wheats are unknown to him. Manitoba wheat would not be received by the Mexican milling and baking trades with any enthusiasm, even if there were no question of higher price. In fact, the Mexican milling and baking trades alike do not know how to handle wheats with high protein content. Their present process of baking and milling would have to be changed. Thus the opportunities for selling Canadian wheat in Mexico are remote for three reasons: transportation difficulties, price, and quality.

MILLING AND BAKING INDUSTRIES

Complete statistics are not available as to the total milling capacity of the Mexican mills. Although there is a fair number of modern mills, the majority are small and old fashioned. In the year 1934 the number of mills of all types in use was 270; in 1935, 309; in 1936, 305; in 1937, 300; and in 1939, 301. (A complete list of mills is on file in the Department of Trade and Commerce, Ottawa). About 40 mills of the total can be considered fairly up-to-date establishments, using either American or Swiss machinery of the cylinder type. The majority of the Mexican flour mills are situated in the central plateau, and the remainder in the northwest; in other words, they are located in the wheat areas. No exact figures can be given as to the total Mexican milling capacity, but it probably is less than 450,000 metric tons.

Most of the bakeries in Mexico City are modern as regards their equipment for mixing, beating, kneading, cutting and weighing dough. In the other larger cities of the country, the bakeries are more or less up-to-date, but in the smaller towns, old-fashioned bread-making methods are still employed.

METHOD OF HANDLING WHEAT IMPORTS

Since its establishment the Comité Regulador del Mercado de Subsistencias alone may import and distribute wheat. It is a semi-official body.

The wheat imported is chiefly a cheap, hard wheat for blending purposes, and the Committee can cover its needs for the year by purchasing futures on the Chicago grain market. Should it have purchased in excess of needs, owing to a mistake in the early estimate of the new crop, it can dispose of the surplus futures. Thus the wheat needs of the country can be provided for economically.

The import duty on wheat is ten Mexican centavos per gross kilo (\$0.93 Canadian per 100 pounds), plus duty on sacks depending on the material of which they are composed.

FLOUR IMPORTS

Importation of flour is forbidden except under special authorization.

Imports of flour amounted to 796 barrels of 196 pounds in 1937, 826 in 1938, 1,350 in 1939, and 280 barrels in the first six months of 1940. In 1937 and 1938 the United States supplied practically all the imports. In 1939 the United States supplied 1,228 barrels, British Honduras, 109; and Hungary, 11 barrels; while in the first half of this year imports from the United States were 269 barrels and from British Honduras 11 barrels. It will be seen that the Mexican market for imported wheat flour is small.

MEXICAN LEATHER MARKET

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

(One Mexican peso equals approximately $22\frac{1}{2}$ cents Canadian; one kilo equals 2.2 pounds.)

Mexico City, October 29, 1940.—For the most part leather is sold in Mexico through agents. As a rule there are no firms that specialize in leather importation; they are generally import commission houses. Exporters should avoid the numerous one-man commission agencies who are willing to accept representation for almost any commodity and who have no established connections with the leather trade.

IMPORTS

The following table shows the total imports of leather into Mexico in kilograms (of 2.2 pounds) by principal countries of supply for the years 1937, 1938, 1939, and the first half of 1940:—

	1937	1938	1939	Jan.-June, 1940
	Kilos	Kilos	Kilos	Kilos
Total	196,122	125,875	179,329	53,163
Germany	77,875	34,772	46,110	1,099
Austria	626	1,052	.....	.....
Belgium	8,592	5,138	8,838	8,005
Canada	3,262	2,080	1,551	1,015
Cuba . . . . .	.....	350	82	.....
Czecho-Slovakia	7,349	392	990	.....
Denmark	1,115	1,726	739	84
United States	83,795	55,081	91,984	37,037
France	2,025	3,993	3,988	1,624
Great Britain	2,287	1,741	1,997	754
Hungary	3,355	9,441	7,404	2,534
Italy	1,232	.....	223	.....
Japan	21	.....	.....	160
Norway . . . . .	.....	.....	173	127
Netherlands	3,857	3,457	4,718	80
Poland	552	6,441	9,943	540
Portugal . . . . .	.....	.....	260	.....
Sweden	50	115	202	.....
Switzerland	93	.....	104	.....

DUTY

The duty on imported leather is 5.50 pesos per legal kilogram.

HIDES

Although Mexico exports hides, it also imported before the war salted calfskins to manufacture box-calf, chiefly from Poland. Their weight was from 4 to 6 kilos, and they were imported without head and feet.

Goatskins and oxbides are exported in appreciable quantities. It is estimated that there are over ten million cattle and six and a half million goats in Mexico.

LEATHER BELTING

About 30 per cent of Mexican requirements in leather belting are supplied by local factories. At present, owing to high prices and other factors, the demand is reduced. Cheaper materials are being substituted for genuine leather belting. Local manufacturers produce only leather belting in the narrower widths up to six inches; the wider types are all imported. The bulk of the imports are from the United States.

PATENT LEATHER

Imports are confined to patent sides, mostly L.M. of good quality; cheaper qualities are produced locally. The domestic patent leather industry is now well developed, and imports are decreasing. The United States is the chief source of supply of imports, but Canada can probably obtain a share in this business.

SOLE LEATHER

Local production in this type of leather meets the general requirements of the country. A small quantity of the best qualities, however, is imported by three shoe manufacturers to make fine shoes advertised as being produced from 100 per cent imported materials. Mexican sole leather is not of the finest quality, as it tends to warp owing to insufficient curing.

UPPER LEATHER

Although the local production of upper leather is important and all kinds are offered, there is still a fairly large importation despite the heavy protection afforded local tanneries.

Boxcalf is imported chiefly in L.M. in good grades (B and C). The skins run from 9 to 11 feet up to 12 and 14 feet. The chief suppliers before the war were, in order of importance, Germany, Hungary and France.

Large quantities of willow calf are imported for ladies' shoes. The skins run from 5 to 7 feet, and the grades bought are B and C.

Imports of glace kid are small, as Mexican production has improved greatly in quality during the past year. Only fine qualities for men's shoes are imported. Shoes of kid are not favoured by women in Mexico.

SUEDE KIDS AND SUEDE CALFS

There is a good import trade in these types of leather. Suede kids are used for ladies' shoes, and suede calfs for both men's and ladies' footwear. These are perhaps the two most important kinds of leather imported in large quantities. Exporters should specialize in these qualities to deal profitably with this market.

Suede kids are imported in 3½- to 4-foot skins in A, B and C grades. Before the war France and Germany were the chief suppliers. In suede calfs the average-size skin is 5 feet, and the grades imported are B and C of the L.M. type.

SHOE FACTORIES

There is no demand in Mexico for imported shoes, as local production is sufficient to meet all requirements. Between 3 and 3½ million pairs are made annually in sixty up-to-date factories. In addition, there is a certain amount of production by cobblers.

PERUVIAN ECONOMIC CONDITIONS

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

Lima, October 11, 1940.—During the past two months a slight slowing-up in Peruvian commercial activity has appeared as the first noticeable reaction consequent upon the European situation. Collections have been somewhat slower and, although one-half the cotton crop has been sold, large quantities of cotton are in storage at shipping points, as a result of the closing of the European markets and of the import licensing system in effect in Great Britain. The outlook for disposal of the sugar crop is also unfavourable.

Sales of sugar and cotton, the two commodities which are determining factors in Peruvian economy, will present difficulties unless new markets can be found. Peru recently signed a Payments Agreement with the United Kingdom, its principal market formerly for these two commodities, but there is little apparent interest in that market at present, with a resulting adverse effect on United Kingdom exports to Peru and on Peruvian purchases from Great Britain.

The banking situation continues favourable. There has been an increased volume of credit, and cancelled cheques rose in June to the highest figure yet reached, 104,955,641 soles. Monetary circulation at the end of June was 133,327,362 soles or some 7,000,000 soles more than at the end of the previous month. Exchange on New York has remained steady at 6.50 soles to the United States dollar. The rate on London has been pegged at 26.16 soles to the pound sterling in accordance with the terms of the payments agreement mentioned above.

FOREIGN TRADE

The total foreign trade of Peru during the month of July amounted to 114,288 tons valued at S/60,401,098. As compared with the same month of last year, there was a fall in volume of 88,542 tons but an increase in value of S/1,947,040. The value of exports was S/29,978,711 as against S/35,722,035 in July of the previous year. Imports fell in volume from 42,332 tons in July, 1939, to 39,750 tons in July, 1940. On the other hand there was an appreciable increase in values, as July imports in 1939 were valued at S/22,732,023, while those in July, 1940, were valued at S/30,427,387. It will thus be noted that, despite a fall in volume amounting to 2,582 tons, the value was increased by S/7,695,364.

The following comparative table shows the values of imports and exports and of total trade for the first seven months of each of the years 1936 to 1940 inclusive.

Foreign Trade of Peru

Jan.-July	Imports Soles	Exports Soles	Total Soles
1940..	191,379,519	230,736,554	422,116,073
1939..	143,568,794	210,316,305	353,885,099
1938..	150,674,913	171,526,732	322,201,645
1937..	121,199,765	203,714,085	324,913,850
1936..	114,271,199	179,829,697	294,100,896

CANADA'S TRADE WITH PERU

Detailed returns are not yet available covering Canadian trade with Peru, but up to the end of July, 1940, total imports from Canada had exceeded those for the entire year 1939, when they were valued at S/6,711,407. In July of the present year Canada rose to fifth place as a source of supply for Peruvian imports with 5.03 per cent of the total value. The United States continued as leading supplier with 57.29 per cent of the total value of imports. The United

Kingdom followed with 11·16 per cent and was in turn followed by Argentina and Japan with 7·27 and 6·08 per cent respectively. On the other hand, Peruvian exports to Canada have been drastically curtailed, the total value for the period January to July, 1940, being S/1,894,886.

WHOLESALE PRICES

The rising tendency in wholesale prices has continued, the index for July 15 showing an advance of 5·2 points over that for June 15, an increase during that month of 2 per cent. The rise has occurred principally in foodstuffs as well as in prime materials.

COST OF LIVING

A further increase in the cost of living index has occurred, the increase over the previous months being 1·1 per cent. The cost of living index (1913 equals 100) is at the highest point since 1926. From 152·1 in 1935 it rose to 176·2 in January, 1940. In the seven-month period January to July of this year it has advanced from 176·2 to 183·7.

LEATHER AND BOOT AND SHOE TRADE IN NICARAGUA

H. W. BRIGHTON, CANADIAN TRADE COMMISSIONER

Panama City, October 19, 1940.—The population of Nicaragua is estimated at one million, of which more than 92 per cent live in the western half of the country. As the currency of Nicaragua has depreciated considerably in recent years in terms of United States dollars, and wages have not increased correspondingly, the purchasing power of the people is comparatively low. Nicaragua is predominantly an agricultural and pastoral country and cattle raising is one of the leading industries. However, with the exception of sole leather, the country is dependent upon imported leather for the manufacture of boots and shoes.

LEATHER

Imports of leather of all types into Nicaragua in 1938 amounted to 23,138 kilos (of 2·2 pounds) valued at U.S.\$78,110 as compared with 24,590 kilos (\$87,561) in 1937 and 6,002 kilos (\$13,147) in 1936.

The duty on sole leather entering Nicaragua is 0·20 cordoba per kilo and on split leather, tanned but not curried, 0·30 cordoba (one cordoba equals approximately 84 cents Canadian). On hides and skins, tanned and curried, dyed or prepared in any other manner, the rates, in gold cordobas per kilo, are: sheep, pig and calf skins 0·14*; velvet calf skins, 0·28; goat and kid skins, including glazed kid, 0·196*; cow, horse and other large hides, 0·112; same, split, 0·07; colt skins, 0·20; unspecified, 0·20. On varnished, lacquered or enamelled skins the rate is 0·28* cordoba per kilo. The rates quoted are those of the Nicaraguan general tariff, which applies to imports from Canada. On the items marked with an asterisk imports from countries enjoying most-favoured-nation treatment in Nicaragua are accorded a reduction of 25 per cent.

BOOTS AND SHOES

The manufacture of shoes is one of the few industries in Nicaragua which has developed beyond the handicraft stage, but in the main the production of boots and shoes in factories is largely confined to what might be termed workmen's shoes. Better-class shoes are still largely made by hand. They are of good quality and are sold at reasonable prices.

The boot and shoe industry is protected by a substantial tariff, the rates imposed being as follows:—

	Cordobas per Pair
Men's shoes, size 5 and up	2.03
Men's shoes, under size 5	1.80
Women's shoes, size 1 and up	1.58
Women's shoes, under size 1	1.35
Children's shoes, under size 7	0.45
Babies', soft shoe	0.18
Athletic shoes for boxing, etc.	1.58
Labourers' shoes	0.74
Strong boots for men	2.25

NOTE.—Nicaraguan duties are expressed in gold cordobas, which are no longer in circulation; one gold cordoba is worth 4 paper cordobas, or approximately 84 cents Canadian currency. In addition to the duties quoted, there is a surtax of $37\frac{1}{2}$ per cent of the duty.

Owing to the high protective tariff in force, imports of boots and shoes are limited. Imports in 1938 totalled 2,787 pairs (U.S.\$3,028) as compared with 6,433 pairs (\$5,761) in 1937 and 8,008 pairs (\$16,818) in 1936.

CONTROL OF EXPORTS FROM CANADA

GOODS PROHIBITED EXPORT EXCEPT UNDER PERMIT

With reference to that part of the article under this heading in *Commercial Intelligence Journal* No. 1910 (September 7, 1940), page 346, respecting arms, ammunition, implements or munitions of war, or any articles deemed capable of being converted therinto or made useful in the production thereof, under Order in Council effective November 9, 1940, it is prohibited to export any of the articles enumerated and described hereunder except under permit issued by or on behalf of the Minister of National Revenue:—

Iron and Steel in the following forms:—

- Slabs and sheet bars.
- Bars.
- Structural shapes, including beams, angles, channels and special sections.
- Plates.
- Sheets and strips.
- Galvanized sheets.
- Tin mill black plate and tin plate.
- Wire rods.
- Wire, including twisted or stranded, and wire rope and cable.
- Railway spikes, and railway tie plates and other track fastenings.
- Bolts, nuts and screws.

Machine tools as follows:—

- Lathes, planers, shapers, boring machines (horizontal and vertical), jig boring machines, drills of all descriptions, gear cutters, grinders, milling machines, honing machines, slotting machines, thread millers, engraving machines, broaching machines, lapping machines, die machines, forging machines, stamping machines and any tool designated as a machine tool which is made stationary on a floor or platform; also dies, jigs, machine tool fixtures, gauges, presses (both hydraulic and mechanical), draw benches.

Industrial diamonds.

Chrome ore.

Applicants for permits shall furnish in respect of each proposed shipment for export information in writing in the manner and form approved by the Minister of National Revenue, setting forth details as to the seller, purchaser, consignor, consignee, description, quantity, value and specific purpose of the proposed shipment or of the articles proposed to be exported, port to which goods would be consigned and vessel by which they would be carried. Export permits issued shall not be transferable and shall be subject to revocation at any time without notice.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

IMPORT REGULATIONS AFFECTING GIFTS

Customs regulations applicable to gifts received from abroad by persons in the United Kingdom have undergone various modifications under wartime conditions. A leaflet dealing with the subject, including facilities for sending gifts to Canadians serving in the fighting forces, may be obtained by interested parties on application to the Department of Trade and Commerce, Ottawa.

Australia

IMPORT LICENSING, OCTOBER-DECEMBER, 1940

With reference to the articles on page 532 of *Commercial Intelligence Journal* No. 1915 (October 12), and page 593 of No. 1917 (October 26, 1940), the Australian Customs Representative in New York has furnished an additional list of import licensing restrictions in Australia for the three-months' period October 1 to December 31, 1940. Imports from non-sterling countries are subject to reductions from the level of imports of the same goods by the same importer from such countries during the base year ended June 30, 1939, as follows:—

ARTICLES REDUCED 100 PER CENT

Alcoholic bitters; cheese of the Swiss or Emmenthaler type, and cheese of the Gruyere or Emmenthaler processed type in containers not exceeding 10 ounces; cocoa butter (except for the manufacture of chocolate), and cocoa butter substitutes; brazing and soldering alloys in any form; zinc plates prepared for process engravers; cycle tubing (not including frames); cotton gins, hand-worked rakes and ploughs combined, hay tedders, lucerne bunchers, maize harvesters and maize binders, threshing machines, winnower forks (wood and steel), hand-worked cultivators, hand-worked seed drills, chaffcutter knives (except replacement parts); wire fence controllers, being apparatus for converting electricity into current suitable for charging electric fences; electric current rectifier assemblies, including transformers and control equipment imported with and for use therewith up to 100 k.w.; screw hooks, eyes and rings; electrotypes and stereotypes; enamelled reflectors; synthetic resins and oils and preparations containing synthetic resins, of the type used in the manufacture of paints, enamels and varnishes (except amine resins, pure phenolic resins, and polyvinyl chloride); plaster of paris and preparations having plaster of paris as a basis, in packages containing over 14 lbs. (except surgical and dental); pudding basins and lipped bowls of brownware, chinaware, earthenware including semi-vitrified earthenware, parianware, porcelainware and stoneware; white marble as prescribed; unspecified wicker bamboo and cane manufactures; unspecified manufactures of wood (except replacement parts of agricultural implements) including window sashes, frames and screens, walking sticks, hods, mallets, rakes and grain shovels of wood, mitre boxes, wood split pulleys, bungs, wood type, washboards, knifeboards, also cabinets, covers and tables for hand or treadle type household sewing machines; yarn of silk or silk in admixture with artificial silk; dental units (instruments); plicofilm.

ARTICLES REDUCED 75 PER CENT

Cotton polishing cloths impregnated with oil etc.; replacement parts for motor vehicles, viz.: electrical cut-outs, relays, and switches (starter, tail-light, dome-light, and hydraulic type stop light), parts of ignition distributors (contact arms, rotors, caps and plates); contact screws for ignition distributors.

ARTICLES REDUCED 50 PER CENT

Household mechanical hand food mincers and choppers; unspecified electrical and gas appliances (except replacement parts for cash registers); unspecified bolts, nuts, rivets and metal washers, screws with nuts or for use with nuts, engineers' set screws (except contact screws for ignition distributors); brasswork, bronzework, and gunmetal work for engineering, plumbing and other trades (except replacement parts for motor vehicles and tractors); unspecified lamps and parts thereof (except enamelled reflectors); unspecified manufactures of metal (except replacement parts for motor vehicles, motor cycles, tractors, agricultural implements, cash registers, and hinges imported for cash registers or with panels for motor

body building); plaster of paris and preparations having plaster of paris as a basis when for surgical and dental purposes; porcelainware for electrical purposes; musical instrument parts and accessories as prescribed; piano keyboards; piano parts as prescribed; olive oil for the lubrication of fibres; sheets, rods and tubes of casein.

The previous announcement that photographic dry plates and flat films, unspecified sensitized films and papers, and lantern slides were reduced by 50 per cent is *cancelled*.

Greenland

PAPERS REQUIRED FOR SHIPMENTS

With reference to the notice on page 563 of *Commercial Intelligence Journal* No. 1916: October 19, 1940, concerning trading with Greenland, Mr. K. P. Kirkwood, Canadian Consul at Gothaab, Greenland, advises that no special certificates are required in making shipments to Greenland but that bills of lading, invoices and other usual shipping papers are essential with shipments. No customs duties are levied on goods entering Greenland.

Dominican Republic

DOCUMENTATION REQUIREMENTS

Shipments to the Dominican Republic require to be accompanied by consular invoices and bills of lading in quadruplicate, both documents being certified by the consul of the Dominican Republic. Great care should be exercised in the preparation of these documents in order to comply fully with the Dominican Republic customs requirements. Canadian exporters who are interested in shipping to the Dominican Republic should obtain a copy of a leaflet on the documentary requirements of that country which has just been issued by the Department of Trade and Commerce, Ottawa.

Guatemala

DOCUMENTATION OF SHIPMENTS

A leaflet explanatory of the regulations to be observed in preparing certificates of origin, invoices and other documents accompanying shipments to Guatemala has been issued by the Department of Trade and Commerce, Ottawa. Canadian exporters may obtain a copy on application to the Department.

Manchukuo

FOREIGN TRADE CONTROL LAW AMENDED

A Manchukuo Ordinance of September 25, 1940, amends the Foreign Trade Control Law of December 9, 1937 (see *Commercial Intelligence Journal* No. 1774: January 29, 1938, page 150) by empowering the Government to order persons carrying on the business of exportation or importation to effect such exports or imports as are necessary to adjust the demand and supply or the prices of goods. Similar action may also be ordered when deemed necessary to adjust foreign trade, in order to balance international receipts and payments or regulate the trade balance with any specific country. The Government may levy, as formerly, additional import or export duties up to the value of the goods concerned or reduce or exempt goods from duties. The Government also retains the power to restrict or prohibit the exportation or importation of goods and to order exporters or importers to effect such trade control.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING NOV. 12, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Tuesday, November 12, 1940, and for the week ending Monday, November 4, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Nov. 4	Nominal Quotations in Montreal Week ending Nov. 12	Official Bank Rate
Finland	Markka	.0252	\$.0219	\$.0216	4
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Greece	Drachma	.0130	.....	.....	6
Hungary	Pengo	.1749			
	Official		.3227	.3227	4
	Unofficial		.2150	.2149	—
Yugoslavia	Dinar	.0176	.0249	.0249	5
Portugal	Escudo	.0442	.0442	.0442	4-4½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2644	.2644	3½
Switzerland	Franc	.1930	.2576	.2575	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2262	.2264	3
Cuba	Peso	1.0000	.....	.....	—
Guadeloupe	Franc	.0392	.....	.....	—
Jamaica	Pound	4.8666	4.4800	4.4800	—
Martinique	Franc	.0392	.....	.....	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2578	.2624	—
Brazil	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0553	.0557	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0573	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6328	.6327	4
Peru	Sol	.2800	.....	.....	6
Venezuela	Bolivar	.1930	.....	.....	—
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4207	.4330	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.6000	4.6000	—
China (Shanghai)	Dollar	.....	.0654	.0636	—
Hongkong	Dollar	.....	.2566	.2591	—
India	Ruppee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2602	.2602	3.29
Java	Guilder	.4020	.....	.....	—
Thailand (Siam)	Baht (Tical)	.4424	.....	.....	—
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5760	3.5760	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

There was no change in official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds during the week ended November 9. These remained at \$4.43-\$4.47 and \$1.10-\$1.11 respectively. At New York sterling free market rates were comparatively steady, hovering between \$4.04 and \$4.04½ while the close at \$4.04 showed no net change. During the same interval movements of Canadian dollar rates at New York were restricted, the final rate for the week at 87 cents indicating a net increase of ½ of a cent. Montreal rates for the Swiss franc finished 1 point lower at 25.75 cents, while activity in this unit has diminished latterly. There was a sharp advance in the Argentine peso (free rate), quotations closing 47 points higher at 26.25 cents. It was recently reported from Buenos Aires that October exports to the United States were 74 per cent over the September level. Among Far Eastern currencies advances were scored for both the Shanghai and Hongkong dollar.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Diesel Engines.....	676	Lima, Peru.....	Purchase and Agency.
Builders' Hardware.....	677	Santiago, Chile.....	Purchase and Agency.
Plant for Manufacture of Sawdust Briquettes.....	678	Ahorey, Portadown, Co. Armagh, Northern Ireland.....	Purchase.

COMMERCIAL INTELLIGENCE SERVICE

H. W. CHENEY, *Acting Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Da. "A. Noite," Sala 802, Praca Maua. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilison.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: G. R. HEASMAN, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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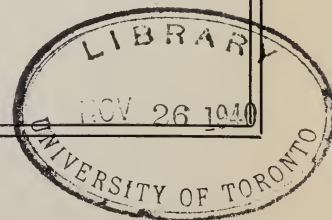


Cheese in Cold Storage ready for Export to the United Kingdom

ISSUED BY AUTHORITY OF

THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE

L. D. WILGRESS, DEPUTY MINISTER



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Vol. LXIII

Ottawa, November 23, 1940

No. 1921

SECONDARY INDUSTRIES IN NEW ZEALAND

C. B. BIRKETT, ASSISTANT TRADE COMMISSIONER

Auckland, October 17, 1940.—The net objective of New Zealand's import and exchange control regulations has been to correct the alarming decline in the favourable trade balance, which for the six-year period to 1937 had averaged about £12,000,000 (New Zealand currency) and which for 1938 stood as low as £2,954,094. The drastic reduction in imports effected by these regulations since they were imposed in December, 1938, has reversed the trend, the balance for 1939 totalling £8,621,534.

EFFECT OF IMPORT CONTROL AND WAR

So far as New Zealand's industries are concerned, the rigid control of imports has naturally had a very salutary effect and the year 1939 witnessed the opening of many new factories to produce goods formerly imported. This development is the essence of the whole plan, of course, and its expansion has been a prominent feature of the Dominion's economic life.

New Zealand's dependence on primary production for the creation of the greater part of her wealth is now a thing of the past. The change has come at an opportune time for the Dominion, since, apart from the sheltered market provided by import control, a steady demand for war materials is responsible for a substantial number of orders on manufacturers' books. Woollen mills, clothing factories and footwear factories have particularly benefited in supplying the needs of the military forces.

This joint effect of war and import control is encouraging local manufacturers to open new plants or extend the present ones to take over additional lines. If it were not for the difficulty experienced in many instances in obtaining the necessary raw materials and skilled labour, this expansion would have reached a higher level than it has today. The general rise in prices of imported raw materials has presented many problems; but with an assured market for their products, manufacturers are pressing forward with production.

SIGNIFICANCE FOR CANADA

The particular concern of Canada in all this industrial development is not in the demand for certain raw materials that has arisen, but in the domestic manufacture of several products which Canada previously exported to New Zealand in quantities of considerable value. Prominent among these are washing machines, refrigerators, radios, cardboard, women's dresses, hosiery, footwear, electrical appliances, certain articles of rubber, agricultural machinery, and nails.

FORM OF EXPANSION

It is impossible to fill in this outline of New Zealand's secondary industries by giving details of production and employment, since the latest statistics

available are for the year 1938, the close of a period of comparative inactivity. The figures for that year, however, serve as a basis upon which the expansion in secondary industries is being built. In that year 6,146 factories produced £114,447,426 worth of goods, and engaged 102,535 people at a wage bill of £22,270,010.

The principal industries contributing to these figures, in their order of importance, were clothing, coach-building and motor engineering, printing and publishing, sawmilling, meat freezing, general engineering, butter and cheese, electric supply, furniture, biscuits and confectionery. Out of the total production value of £114,447,426, the first two industries mentioned accounted for over £47,000,000. Today the above-named industries form the nucleus of an industrial community which has added to its ranks many small establishments engaged in manufacturing articles and parts of articles formerly imported.

No reliable estimate of the increases in manufacturing statistics for the year 1939 and the first six months of 1940 can be given. It can be reasonably assumed, however, that the rate of expansion has been considerably greater than in preceding years, and that the figure to show the largest increase is that for the number of factories in production. The majority of these factories are small, some only employing a handful of men, and therefore the value of production is not always what their numbers might appear to indicate. Nevertheless, as many of these small factories become more firmly established and reach capacity figures, the effect on production values will be considerable. Most of them are still going through a period of organization, construction of plant, development of sources of supply of raw materials, research and experiment, not to mention development of sales and the training of operatives. The process involves many difficulties which will delay for some time the approach to maximum efficiency.

NOTES ON INDUSTRIAL ACTIVITY

WOOLLEN MILLS

The pressing demand for service uniform material and other war requirements is keeping this industry fully occupied. Output is estimated to have increased nearly 50 per cent and if the civilian needs are to be satisfied a further increase is necessary. Skilled labour is in rather short supply and is keeping some of the mills from reaching their maximum capacity.

CLOTHING TRADES

Service uniforms form the greater part of a substantially increased output in the clothing industry. The trade in men's and women's garments of all descriptions is good but deliveries are slow owing to the preference being given to government contracts.

The manufacture of ladies' frocks, copied in style and finish from imported models, is becoming well established and orders are increasing steadily. Merchants' stocks of imported dresses are practically exhausted. For copying purposes the Canadian and United States models are preferred to European creations.

The prohibition of imported apparel will continue to keep this industry in a very active state of production.

HOSIERY

The New Zealand silk and artificial silk hosiery industry is thriving under the import restrictions but has not yet reached the point where it can completely satisfy the full requirements of this market. Stocks imported or ordered previous to the ban on imports have now been used up. Representa-

tions by the trade to influence the Government to relieve the situation have been to no avail and the public must be satisfied with smaller purchases until production catches up with the demand. One result has been a greater inquiry for cotton and the cheaper grades of artificial silk hose. The development of dyeing greige hosiery has reached an efficient stage; but with the expansion of present factories and the completion of a large new one by the end of this year, the activity in the dyeing section is decreasing rapidly. Raw materials are obtained almost exclusively from Australia.

Children's hosiery remains the only type that may be purchased abroad, the source of supply being confined to the United Kingdom.

The industry, therefore, is in a strong position and assured of continued activity as long as the prohibition of imports remains in force.

TANNING

Tanneries for some time have been taxed to fill orders from shoe factories working on government contracts and on an expanded demand from normal consumers, who must now purchase their requirements within New Zealand. Difficulties experienced when import control was first established in obtaining a continuity of supply of hides and tanning materials, have been resolved and the industry is working to capacity.

The demand for light leather from small manufacturers of bags, belts, etc., is particularly good.

FOOTWEAR

The severe restriction on the importation of footwear is being felt now that the large stocks of overseas make are disappearing. Shoe factories are receiving an increasing number of orders and with the large amount of army work on hand and to come are hard pressed to satisfy the civilian needs.

It is considered that fair success has been achieved in meeting the call for high-grade shoes that has been diverted to local manufacturers, particularly in the fashionable lines for women. On the whole, the style and quality of shoes being turned out are below English and American standards but this is natural when the rapid expansion and the tender age of the industry is considered. A shortage of skilled labour is preventing production from reaching capacity figures.

MOTOR CARS AND TRUCKS

Beginning July 1 of this year imports of motor vehicles of all descriptions were prohibited from all countries; however, for the fifth licensing period (January to December, 1941) it is proposed to permit entry of a limited number of chassis for commercial trucks, omnibuses, etc. Applications for licences to import these chassis will be considered individually and no indication can be given now as to whether they will be purchased from the United Kingdom or Canada, or from both countries. When the several assembly plants now working on a limited quota of cars imported unassembled during the third and second licensing periods have completed this work, they will be obliged to close down or operate on a very much reduced scale. There are in force severe petrol restrictions, which have reduced the demand for and the use of motor cars considerably.

The repair shops and the manufacturers of certain motor-car parts are very active, largely as a result of a keen desire on the part of most owners to maintain their cars and trucks at high efficiency to effect saving in petrol consumption.

RADIOS

The manufacture of complete radios continues on an increasing scale. Practically all the parts previously imported are now produced locally. The

industry has not yet reached capacity; but, since stocks imported prior to the restrictions have now been largely disposed of, the manufacturers are fully occupied. The industry in all its departments is fully protected by the import control regulations.

PAINTS AND VARNISHES

Paints and varnishes ready mixed are prohibited imports into New Zealand, and the active demand existing for these products is being fairly well taken care of by local manufacturers. The consumption of paint reached record levels during the past twelve months, largely owing to government and other building activity. The great majority of dwelling houses in New Zealand are constructed of wood and provide a steady source of demand for paints and varnishes.

ELECTRICAL APPLIANCES

The manufacture and assembly in New Zealand of electric washing machines, refrigerators, cooking ranges, and domestic appliances such as irons, toasters, heaters, etc., has made substantial progress under the protection of the import control regulations.

There are now four firms engaged in the manufacture of washing machines, complete except for the motor and wringer, which are still being imported. A fifth firm, a branch of a well-known Canadian organization, operates an assembly plant for which nearly all parts are imported, although pressure is being brought to influence this concern to incorporate more parts of local manufacture. Licences to import parts have been granted in this instance in recognition of the firm's long establishment in the Dominion.

The manufacture of irons, toasters, heaters, kettles, etc., is almost entirely in the hands of one firm which maintains a country-wide distribution and is supplying a steady demand. Refrigerators and cooking ranges are being produced by several firms, most of which are small and still in the initial stages of development.

AUSTRALIAN WHEAT AND FLOUR

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, October 16, 1940.—With less than average rainfall during September and early October, and with high temperatures and strong winds, crop conditions in Australian wheat-growing areas further deteriorated. From preliminary figures it is estimated that the area sown to wheat in Australia will approximate 12,569,000 acres for the coming season. This compares with 13,276,000 acres sown in 1939-40 and 14,346,000 acres in 1938-39. Estimates of production for the coming season have progressively declined, latest figures being 90,000,000 to 100,000,000 bushels. The severity of the present drought may be gauged from the fact that the production of wheat during the adverse season of 1938-39 amounted to 155,368,000 bushels. It may be recalled at this stage that the yield of 10.83 bushels per acre during that season was higher than had been anticipated and was generally conceded to have been due to adequate reserves of sub-soil moisture offsetting the lack of surface moisture. Similar reserves of sub-soil moisture may not be without effect this season and may result in a bigger yield than anticipated at the moment.

The seriousness of the effects of the drought on the wheat industry resulted in the decision of the Minister for Commerce, Mr. Cameron, to call a conference of wheat-growing interests to consider not only methods of drought relief but, at a special conference, the wider problems besetting the industry. So far, the

Commonwealth Government has indicated that it will lend the states £A950,000 as a first instalment to help farmers affected by the drought.

It is reported that good work has been done by the Closer Settlement Commission in reorganizing closer settlement in Victoria, resulting in hundreds of settlers in the Malee area being removed from their blocks, marginal area problems attacked, properties revalued and losses amounting to about £A20,000,000 wiped off. Had this not been done, it is stated, the Victorian Government would have had to make advances of at least £A250 a settler to enable them to carry on during the present drought. As it is, estimates of the amount required for drought relief in Victoria alone vary from £A300,000 to £A600,000, while the amount allocated to Victoria by the Commonwealth Government for the purpose is only £A100,000.

WHEAT PRICES

Approximate export prices f.o.r. ports during the month of August in the years 1935 to 1940 were as follows: 1935, 36·81 pence per bushel; 1936, 55·22; 1937, 61·14; 1938, 36·92; 1939, 24·98; 1940, 47·25 pence (nominal) per bushel.

EXPORT FLOUR

Because of complaints that some Australian flour sent overseas has been of poor quality, regulations have been gazetted to prohibit the shipment of flour unfit for export. Regulations also provide for registration of premises at which flour intended for export is manufactured, processed, sacked, or stored. Export of flour from premises not registered or considered unfit for export, or contained in indifferent sacks, is prohibited. Trade descriptions must be given, and a reasonably permanent brand or label and the word "Australia" in permanent letters must be displayed. Three days' notice of intention to export must be given, and a penalty of £A50 is provided for false declarations. Trade brands of exporters and manufacturers may be registered with the secretary of the Department of Commerce.

Mr. Palmer cabled on November 15 as follows:—

Adverse seasonal conditions continue to influence the low production estimates. The only recent sale of wheat has been 3,750,000 bushels to Greece. Official quotation to millers is 3s. 11½d. (equivalent to 69 cents Canadian) per bushel bulk, seaboard delivery basis. The distributing price to the produce trade is 4s. 1½d. per bushel, or 4s. 1d. minimum 1,000 bushels (equivalent to 73 and 72 cents Canadian respectively).

The stabilization plan adopted by the Federal Government guarantees 3s. (equivalent to 62 cents Canadian) per bushel for ports for marketed crop in Australia of not more than 140,000,000 bushels. Growers will receive approximately 2s. 11d. (equivalent to 52 cents Canadian) per bushel at sidings. Wheat-growers are required to register properties and sow only the authorized acreages. Diversification of production is to be encouraged.

Eight thousand tons of flour have been sold by the Australian Wheat Board to China on the basis of £11 (equivalent to \$38.72 Canadian) per ton, to be lifted in Japanese vessels and paid for from the proceeds of silver, formerly the property of the Chungking Government, in banks in the British concession at Tientsin. Current export quotations for flour are £9 5s. (equivalent to \$32.56 Canadian) per ton in 49-pound calico bags and £9 (equivalent to \$31.68 Canadian) per ton in 150-pound sacks.

MR. BRIGHTON TO VISIT THE NETHERLANDS WEST INDIES, VENEZUELA AND COLOMBIA

Mr. H. W. Brighton, Canadian Trade Commissioner at Panama City, plans to visit the Netherlands West Indies, Venezuela and Colombia in the interests of Canadian trade early in 1941. He expects to leave Panama not later than the second week in January, and in the course of this tour will spend some time in each of the principal business centres.

Canadian exporters interested in these markets and desirous of having investigations made on their behalf should communicate immediately with Mr. Brighton, supplying him with precise and full information. His address for letters is P.O. Box 222, Panama City, R.P.

MR. SYKES' TOUR OF CANADA

Mr. Paul Sykes, Canadian Trade Commissioner at Bombay, India (whose territory includes Burma and Ceylon), is on tour in the Dominion in the interest of Canadian trade with his territory.

The remainder of his itinerary is as follows:—

Toronto	Nov. 25 to 27	Vernon and Kelowna	Dec. 4
Winnipeg	Nov. 29 and 30	Vancouver and Victoria . .	Dec. 6 to 23
Calgary	Dec. 2		

Canadian firms who wish to be brought in touch with the Trade Commissioner should communicate for Toronto, Winnipeg, Vancouver and Victoria with the office of the Canadian Manufacturers Association, and for the other centres with the respective Board of Trade or Chamber of Commerce.

CANNED SALMON MARKET SITUATION IN SOUTH AFRICA

J. H. ENGLISH, CANADIAN TRADE COMMISSIONER

Johannesburg, September 19, 1940.—As in former years, Canada was the largest individual supplier of canned salmon to the South African market in 1939, being credited in the South African trade returns with slightly over 3,400,000 pounds. This trade was made up to a very large extent of the cheaper varieties of salmon such as "chums" and "pinks"; little Canadian "sockeye" reached the market.

The chief demand for canned salmon in South Africa has always been for these cheaper varieties, and it is natural that importers should tend to cater for the volume trade. Canadian packers have been able to obtain and hold this trade from year to year, while little attention seems to have been given to "sockeye". This preoccupation with the cheaper trade, coupled with the fact that Canadian packers have not experienced much difficulty in the past in disposing of their "sockeye" pack in other markets, left the better-class market in South Africa free for exploitation by the suppliers of Siberian, Japanese and United States red salmon. As a result of this situation and aided by suitable advertising, such internationally known brands as Lazenby's, John West's, Double Crown and Libby's have been able during recent years to practically monopolize the high-class salmon trade in this market.

IMPORTS

The Union trade returns do not disclose the types of salmon imported but show only total volume and value by countries of supply. During the past four years these were as follows:—

South African Imports of Canned Salmon

	1939		1938		1937		1936	
	Lbs.	£	Lbs.	£	Lbs.	£	Lbs.	£
Canada	3,447,091	56,869	3,237,306	59,437	3,860,258	63,267	3,007,260	57,214
Russia.	632,368	36,009	542,498	32,410	724,321	42,227	382,940	22,372
Japan.	1,482,861	21,006	1,117,278	17,205	1,433,272	21,466	951,074	16,744
United States ..	262,078	9,688	208,518	7,574	271,420	10,549	285,215	12,834
United Kingdom.	9,822	531	4,157	246	4,274	270	11,058	655
Alaska.	120,551	4,895	.....	.....	.....	.....	.....	.....
Australia.	6,000	301	.....	.....	.....	.....	.....	.....
Norway	504	41	.....	.....	.....	.....	.....	.....
Other .. . . .	.....	.....	26,205	1,048	792	84	3,571	338
Total	5,961,275	129,340	5,135,962	117,920	6,294,337	137,863	4,641,118	110,157

EXTENT OF THE MARKET

The total estimated population of South Africa in 1939 was 10,160,000, of which only 2,116,000 were Europeans or whites, the balance chiefly natives, coloureds and Indians. Amongst the whites there is a large number of so-called "poor whites", those having a low marginal standard of living. No estimate of the number is available, but it must represent a fairly high percentage of the total white population. The cheaper grades of "pink" and "chum" salmon are sold mostly to this group and to the Indians and a section of the natives. It is apparent, therefore, that by far the greater proportion of the canned salmon trade is in these less expensive varieties. Nevertheless there is an important and an increasing market in South Africa for "sockeye" or, as it is commonly known, "full red" salmon.

The largest selling "full red" salmon on this market is possibly Lazenby's. This is well advertised and widely marketed through the wholesale trade. Because it is chiefly of Siberian or Japanese origin, it has been largely offered in 1-pound flat tins, and the public have come to accept this style of pack as essential to a first-class red salmon.

OPPORTUNITIES FOR CANADIAN PACKERS

On the other hand, the Canadian pack of 1-pound tins of salmon, especially the "pinks" and "chums", has to a large extent been in tall tins. This packing is ideal for the poor white, the Indian and the native trades. It is naturally cheaper than the flat tins, and the impression is given that it contains more fish than does the 1-pound flat.

So far as the "sockeye" trade is concerned, however, this form of Canadian packing is a distinct disadvantage and, while it is true that small quantities of "red" salmon are sold in tall tins, it is generally speaking essential to offer "sockeye" in hand-packed tins in order to obtain any important share of the trade.

Canada has never been a large supplier of "sockeye" salmon in flat tins, and it is chiefly for this reason that little of this business has been obtained by the Dominion. According to leading wholesalers, if Canada could regularly offer first-grade "sockeye" in 1-pound flats and half-pound tins at prices that would enable the product to be placed on the market at slightly below the price of highly advertised brands, there is no doubt business could be obtained. It is important to note, however, that the great bulk of the "sockeye" trade is in

three or four leading brands. These labels are well-known through extensive advertising and they are household words to the better-class trade.

One of the leading brands already mentioned has been on the South African market only a few years. This seems to confirm a statement by several wholesale grocers that there is always room for another brand providing it is of high quality and well advertised. While it would undoubtedly require time to introduce a new brand and at first be costly, there is every reason to expect that a distinctive Canadian brand would be well received.

There are several factors which would favour such a move by Canadian packers. In the first place, permanency in the market can never hope to be secured by offering Canadian "sockeye" under one of the well-known brands already on the market, for the owners of these labels are forced to buy their supplies to their own best advantage, irrespective of country of origin. To control the label and the pack it is therefore essential that a distinctive Canadian brand be placed on the market.

Secondly, the better-class trade in South Africa is particularly well disposed towards Canadian salmon, so that by judiciously advertising the merits of Canadian "sockeye", and particularly by featuring the word "Canada" embossed on the lid of all Canadian salmon, advantage could be taken of this factor.

TARIFF PREFERENCE FAVOURS CANADA

Another factor favouring Canada is the minimum rate of 1½d. per pound applicable to imports from the United Kingdom and the Dominion, whereas salmon from other countries is required to pay a duty of 3d. per pound.

Since advertising is essential to the satisfactory introduction of a new label, the importance of this tariff concession, amounting to 6s. per case, becomes apparent. A usual practice by many overseas shippers is to make an advertising allowance to the wholesaler of about 4s. per case or to spend this amount on national advertising in the importer's behalf. Assuming that there is no reason why Canadian "sockeye" could not be offered as competitively as the well-known brands now supplied through London, the tariff preference would provide a liberal advertising allowance and still enable the salmon to be offered to the wholesaler at a small price advantage over foreign. This latter point is of some importance, for at the outset, in any event, a new brand would have to show a slightly higher profit to the wholesaler and retailer than the well established brands.

In view of wartime conditions, with their restricting influence on purchasing power, and the increased cost of canned salmon as compared with two years ago, the present may not appear to be an appropriate time for introducing a brand of Canadian salmon on the South African market. Other factors, already mentioned, offset these disadvantages, however, especially as several years must elapse before the benefit of such a move could be expected to show important results. It is suggested that Canadian packers should, therefore, investigate the matter in the light of present conditions.

MARKET OUTLOOK

The immediate outlook for canned salmon is obscured by the relatively large stocks which are reported to be held by merchants. At the outbreak of the war most wholesalers bought heavily, and these stocks do not seem to have moved as well as was expected. This is not the case with all wholesalers, but it is certain that, unless prices are particularly attractive, sales this season will be slow. The fact that trade generally is being retarded, especially in so-called luxury lines, by the war, the calling to the colours of many men and women and the general uncertainty of outlook suggests that the exercise of caution by wholesalers is advisable.

WESTERN UNITED STATES APPLE SITUATION

B. C. BUTLER, CANADIAN TRADE COMMISSIONER

Los Angeles, November 5, 1940.—Apples are grown commercially in eight of the Western States, but Washington alone produces approximately 65 per cent of the area's total crop. The only other Western States which produce important quantities are California, Idaho and Colorado. The West is expected to contribute a larger proportion of the nation's total apple crop than in 1939. Production figures are tabled below:—

	Average 1934-38 1,000 Bus.	1939 1,000 Bus.	1940 Estimate 1,000 Bus.
Washington	29,411	26,000	28,046
California	7,897	8,024	6,496
Oregon	3,462	2,900	3,120
Idaho	3,635	2,574	2,160
Colorado	1,517	1,058	1,493
New Mexico	679	603	760
Utah	356	395	326
Montana	333	386	297
Total, Western States	47,290	41,940	42,698
Total, United States	121,755	143,085	114,830
Percentage Western to total United States	38.7	29.3	37.8

CURRENT MARKET SITUATION

Total Washington shipments marketed to date (November 5) are 6,199 cars as compared with 6,067 cars for the same period last year; Idaho 893 cars as against 1,307 in 1939; Oregon 896 cars against 389. Wholesale prices per case for less-than-carload quantities at Seattle on October 29 are tabled below:—

Jonathans—	\$	\$	Staymans—	\$	\$
X Fancy	1.60-1.75		X Fancy	1.25-1.35	
Fancy	1.25-1.50		Fancy	1.00-1.10	
Comb. X Fcy. and Fcy.	1.00-1.10		Winesaps—		
Comb. X Fcy. and Fcy., loose . . . . .	.75-.90		X Fancy	1.60-1.65	
C Grade, loose . . . . .	.60-.65		Fancy	1.40-1.50	
Red Delicious—			C Grade, loose . . . . .	.55-.60	
X Fancy	1.75-2.00		Spitzenbergs—		
Fancy	1.50-1.75		X Fancy	1.65-1.75	
Golden Delicious—			Fancy	1.40-1.50	
X Fancy	1.75-2.00		Comb. X Fcy. and Fcy.	1.00-1.15	
Fancy	1.50-1.75		C Grade, loose . . . . .	.60-.65	
Comb. X Fcy. and Fcy.	1.25-1.35		Romes—		
Comb. X Fcy. and Fcy., loose	1.00-1.25		X Fancy	1.35-1.45	
Delicious—			Fancy	1.25-1.30	
X Fancy	1.50-1.65		Comb. X Fcy. and Fcy.	1.10-1.15	
Fancy	1.35-1.40		Comb. X Fcy. and Fcy., loose . . . . .	.85-.90	
Comb. X Fcy. and Fcy.	1.00-1.15		C Grade, loose . . . . .	.65-.75	
Comb. X Fcy. and Fcy., loose . . . . .	.75-.90				
C Grade, loose . . . . .	.40-.65				

MEXICAN MARKET FOR CONDENSED AND POWDERED MILKS

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, November 7, 1940.—Mexico imports a fair quantity of both powdered and condensed milk. The following tables show importations from the chief supplying countries during the past three years:

Condensed milk	1937 Kilos	1938 Kilos	1939 Kilos
Total	52,292	2,047	9,577
United States	8,260	2,030	4,060
British Honduras . . . . .	.....	.....	4,858
Norway . . . . .	.....	.....	23
Netherlands	43,998	13	633

Evaporated milk—	1937 Kilos	1938 Kilos	1939 Kilos
Total	306,627	235,024	267,276
Denmark	1	1,071	.....
United States	291,623	231,620	267,250
British Honduras . . . . .	.....	4	23
Japan . . . . .	.....	2	.....
Netherlands	15,003	2,327	3
Powdered milk or in the form of lozenges, in packages not weighing over 5 kilos—			
Total	68,507	47,196	60,623
Denmark	4,002	4,419	2,831
United States	49,384	33,850	35,503
France	1,020	1,904	1
Great Britain	626	176	370
Italy . . . . .	.....	3	4,080
Netherlands	6,743	520	10,081
Switzerland	6,721	6,321	7,752
Powdered milk or in the form of lozenges in packages weighing over 5 kilos—			
Total	146,161	153,619	207,545
Germany	530	.....	1,070
Denmark	55,831	65,781	39,153
United States	8,018	53,888	39,439
France . . . . .	.....	210	228
Netherlands	80,816	33,738	126,589
Portugal	966	.....	1,066
Lactic acid—			
Total	23,408	16,867	22,437
Germany	18,368	16,442	11,726
Belgium	2,454	.....	.....
United States	1,399	418	6,593
Great Britain	1	.....	912
Netherlands . . . . .	.....	.....	3,200
Switzerland	1,170	2	.....

The Mexican statistics are not very specific. For example, there is no distinction made between powdered whole milk, powdered half-skim milk, powdered skim milk, and powdered buttermilk. No figures are available for powdered protein milk or dextromalt, and there is no distinction made in the statistics between sweetened and unsweetened milk.

TYPES AND PRICES

All types of powdered milk are imported. One well-known United States firm sells through its local branch. The types in demand are those required by pastry bakeries, candy manufacturers and beneficiary societies for children. The chief imports are: powdered whole milk, powdered half-skim milk, powdered skim milk, powdered buttermilk, whole lactic acid milk powder, powdered protein milk, and dextromalt.

Before the invasion of the Netherlands, that country, besides the United States, was a source of supply. As Netherlands products are no longer in the market, a better opportunity is afforded Canadian firms to participate in this trade. New York quotations for the Mexican market c.i.f. Veracruz, which have recently shown some reduction, are as follows:—

	U.S. Cents per Lb.
Powdered whole milk	22.0
Powdered half-skim milk	17.25
Powdered skim milk	11.5
Powdered buttermilk	15.0
Whole lactic acid milk powder	28.0
Powdered protein milk	37.5

The analyses of the eight kinds of milk powder on sale in Mexico are as follows:—

Skimmed milk powder spray process: 1 per cent butterfat. Half cream milk powder: 13 to 14 per cent butterfat. Full cream spray milk powder: 24 per cent butterfat.

Dextromalt: malt, 30.94 per cent; dextrine, 67.28 per cent; sodium hydrochloride, 0.55 per cent; moisture, 1.23 per cent.

Lactic acid milk powder: albumen, 25 per cent; fat, 26 per cent; lactose, 36 per cent; mineral salts, 6.3 per cent; moisture, 3 per cent; lactic acid, 3.3 per cent.

Buttermilk powder: albumen, 40 per cent; fat, 3.5 per cent; lactose, 45 per cent; moisture, 2.5 per cent; ashes, 6.7 per cent; lactic acid, 4.5 per cent.

Albumine milk powder: albumen, 30 per cent; fat, 10 per cent; lactose, 20 per cent; dextromalt, 25 per cent; moisture, 2 per cent; ashes, 4.5 per cent.

Caseinato de calcio: albumen, 89 per cent; fat, 1 per cent; moisture, 5 per cent; and ashes, 5 per cent.

The Canadian Trade Commissioner in Mexico is in touch with a firm in Mexico City that is buying every month 1,000 kilos each of the above-mentioned milk-powder products. If Canadian prices are competitive, this firm will purchase from the Dominion.

TARIFF DUTIES

Following are the rates of duty applicable to the various items when imported into Mexico:—

	Mexican Cents per Legal Kilo
Condensed milk	40
Evaporated milk	40
Powdered milk or in the form of lozenges, in packages not weighing over 5 kilos	40
Powdered milk or in the form of lozenges, in packages weighing over 5 kilos	40
Lactic acid	10

MEXICAN RADIO MARKET

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

(One Mexican peso equals 100 centavos equals 22½ cents Canadian; one kilo equals 2.2 pounds)

Mexico City, October 30, 1940.—There are approximately 475,000 radio sets in use in Mexico. The majority comprises low-priced 5-tube types and 6-tube table models of three bands. The 7-tube type has been supplanted by the cheaper 6-tube. Portables are also coming into favour. As 90 per cent of the radios in use are operated in the plateau areas, special construction to meet tropical conditions is not demanded. Automobile radio sets are also becoming popular. About 10 per cent of the cars in Mexico are equipped with them, and there is a possibility of doubling sales.

The wave ranges on small sets are 16 to 550 metres. The larger and higher priced sets, sales of which are limited to well-to-do purchasers, have a wave range of 13 to 550 metres.

Approximate prices of the sets offered by the Netherlands firm of Philips are as follows: 5-tube, 340 to 380 pesos; 7-tube, 430 to 480 pesos; 9-tube, 590 to 660 pesos.

The Telefunken offers a wider range of models, prices being approximately as follows: 5-tube, 300 to 545 pesos; 6-tube, 435 pesos; 7-tube, 530 pesos;

12-tube, 950 pesos. The last-mentioned is one of the most expensive sets in general demand. Other European marks are Lorenz, Saba, Vorting and Mende.

IMPORTS FROM THE UNITED STATES

About 90 per cent of the volume of imports into Mexico is from the United States and, due to the European war, this percentage will increase. The bulk of the demand is for radio receiving sets with cabinets. Imports in 1938 totalled 34,403 units, as against 2,723 without cabinets. Of these imports United States manufacturers supplied 31,031 with cabinets and 2,569 without cabinets. The market is now practically monopolized by American radios, since German models cannot be imported direct and stocks have been greatly reduced. The Philips radio, however, has up to the present been distributed by two agents, one a British and the other a German firm. These models were made in Holland and were shipped to Mexico via the Dutch East Indies. The new models for 1941 will be manufactured in the United States, and the Philips make will become, so far as the Mexican market is concerned, an American radio. There is a Philips factory in Buenos Aires, but it is unable to supply all South American markets.

IMPORTS OF RADIOS AND PARTS BY COUNTRIES OF ORIGIN

The latest available figures show imports into Mexico of radios and parts by countries of origin for 1939 as follows:—

Mexican Imports of Radios and Parts in 1939

	Pieces	Pesos
Radio transmitting apparatus—		
Total	165	148,784
United States	163	147,299
Netherlands	2	1,485
Radio receiving sets, with cabinets—		
Total	71,721	7,430,721
Germany	2,342	473,375
Belgium	67	15,252
Canada	1	250
Ecuador	1	150
United States	65,041	6,224,602
France	2	440
Guatemala	5	730
British Honduras	2	610
Japan	3	1,717
Norway	3	420
Netherlands	4,210	705,271
Sweden	44	7,904
Receiving sets without cabinets—		
Total	752	72,796
United States	751	72,646
British Honduras	1	150
Tubes for receiving sets—		
Total	265,206	581,693
Germany	3,351	16,314
Cuba	8	50
United States	233,419	504,714
France	23	45
Great Britain	30	59
Netherlands	28,274	60,311
Switzerland	101	200
Tubes for transmitting sets—		
United States	780	142,640
Antennae of all kinds for radios—	Kilos	
Total	12,025	72,637
Belgium	182	1,726
United States	11,765	70,221
France	1	34
Netherlands	77	656

Electro-dynamic loudspeakers, without cabinets—	Kilos	Pesos
Total	15,218	146,861
Germany	160	806
United States	14,310	122,331
Netherlands	748	23,724
Electro-dynamic loudspeakers, with cabinets—		
Total	2,228	18,131
Germany	84	830
United States	2,128	17,166
Netherlands	16	135
Cabinets of all kinds, for radio sets—		
Total	6,762	54,032
Germany	13	261
United States	6,630	50,164
Netherlands	119	3,607
Loose parts and repair parts, n.o.p.—		
Total	55,067	771,265
Germany	1,079	16,741
Belgium	29	680
Cuba	2	26
United States	52,529	718,292
Guatemala	5	250
Japan	218	2,935
Netherlands	1,204	32,329

DOMESTIC PRODUCTION

Annual domestic production is estimated at not more than 1,000 sets. The principal factory is the Radio Industrial, S. de R. L., whose products retail at about 100 pesos for a 5-tube set and 140 pesos for a 6-tube set. Their radios are not regarded as equal in quality to United States makes. This local manufacture is really an assembly of parts and apparatus imported either from the United States or Germany. Only a small percentage of the radio sets in Mexico operate on batteries, since the houses in Mexican towns are all electrically wired. In remote sections of the country there is, however, some small demand for battery sets, and nearly the whole of this demand is supplied by Mexican battery manufacturers. Both dry and air cells are in demand.

RADIO PARTS

Condensers, transformers, resistance coils, loud-speakers, etc., are imported into Mexico for assembling. The local agents carry the spare parts for the makes they represent. The parts in greatest demand are automatic tuning devices, capacitors, grid leaks, resistors, dials, tube sockets, filters, etc. The accessories imported include antennae, long- and short-wave converters, head sets, ground clamps, vibrators and wave traps. United States tubes are standard, but European tubes are used on European makes. The demand for loud-speakers is entirely for servicing. All imported sets are now shipped to Mexico completely assembled, with loud-speaker and chassis. At one time most sets were assembled in Mexico City, but the local labour laws have forced the supplying factories to ship sets complete for use and so avoid labour difficulties in the Republic. Excessive labour demands have adversely affected radio assembly, like other trades in Mexico.

SELLING METHODS

The leading distributors of radios and parts in Mexico are located in Mexico City. Through them the other localities are supplied, except those in Yucatan and the northern districts. These distributors are exclusive representatives who sell to retailers. Many of the larger United States factories have, however, arranged with their Mexican subsidiaries for advertising, to

carry on retail sales and to provide service. Advertising is usually extensive, as competition is keen, and an advertising allowance of around 5 per cent is granted to distributors. The Sunday papers, radio broadcasts, magazines and circulars are the chief channels, but billboards and car cards are also used. Most of the advertising matter is printed locally to avoid the Mexican duty of 3 pesos per legal kilogram.

Terms of sale are cash against documents. Discounts from United States manufacturers to their distributors are as a rule 40 per cent to 50 per cent off the list price. Distributors grant 10 per cent and 4 per cent discounts to dealers. A buyer generally makes an initial payment of 10 per cent. Price cutting is common among Mexican dealers. Instalment sales in Mexico have to be registered.

IMPORT DUTIES

The duty on radio receiving sets with cabinets is 1.20 peso per legal kilogram; on those without cabinets the rate is 0.40 peso per legal kilogram. On radio tubes the duty is 0.05 centavo per piece, and on radio antennae and loud-speakers without cabinets it is 0.40 peso per legal kilogram. Loud-speakers with cabinets are dutiable at 1.20 peso per legal kilogram, cabinets without chassis or loud-speaker at 1.20 peso per legal kilogram, and radio parts at 0.40 centavo per legal kilogram.

On all of the foregoing there is a surtax of 3 per cent of duty on imports by freight or express and 10 per cent of duty on imports by parcel post. There are no restrictions on the import or sale of radios or equipment.

MARKET FOR SHEET GELATINE IN MEXICO

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, November 9, 1940.—There is a shortage of sheet gelatine in Mexico. Stocks on hand are principally Belgian and are sufficient for the next two months. The demand is for gelatine in thick sheets of 30 grams, not for gelatine in powder. Any Canadian exporter who can supply such gelatine is invited to the Department of Trade and Commerce, Ottawa, quoting file No. 13883.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

TARIFF REDUCTIONS ON TUBES AND PIPES AND CERTAIN FORGINGS

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, cables that the British Treasury have issued an order, effective November 14, exempting from import duty tubes and pipes (other than cast tubes and pipes and steel bulbs of the kind used for aerated water syphons). British Empire products shipped in accordance with prescribed regulations being already duty-free under Imperial preference, the effect of the new order is to make the goods in question duty-free regardless of the country of origin. When of non-Empire origin, iron and steel tubes and pipes of the kind in question, if valued at more than £15 per ton (2,240 pounds) were formerly dutiable at 20 per cent ad valorem; if valued at £13 to £15 per ton, at a rate sufficient to bring the value up to £18 per ton; and if valued at less than £13 per ton, at £5 per ton.

At the same time, the cablegram adds, the "additional duties" chargeable on certain forgings of iron or steel of non-Empire origin have been removed. The additional duties on a wide range of iron and steel forgings were 10 per cent, 15 per cent or 23½ per cent ad valorem depending on the value of the forgings, and the effect of their removal is to reduce the operative rate to the general ad valorem duty of 10 per cent. British Empire products of this class, shipped in accordance with prescribed regulations, continue duty-free under Imperial preference.

Australia

DETAILS OF IMPORT RESTRICTIONS

Supplementing his report regarding Australian import restrictions published in *Commercial Intelligence Journal* No. 1919 (November 9, 1940), page 653, Mr. R. P. Bower, Assistant Canadian Trade Commissioner in Sydney, sends further information regarding certain commodities:—

Sodium Sulphide.—Importers may group the value of their imports of this commodity from the United Kingdom with the value of their non-sterling purchases during the base year, for the purpose of establishing non-sterling quotas for the current year.

School Slates, Drawing Slates and Slate Pencils.—These items have been moved from the "D" (prohibited) category to category "C," under which imports are permitted up to the base-year level, with the idea that a wider use of slates in schools will conserve paper supplies.

Sausage Casings.—During the current licensing period the importation of artificial sausage casings will be reduced by 25 per cent from the base-year level; other types will be admitted as usual.

Preserved Fish Covered by Tariff Item 51C4.—From October 1, 1940, importers may use the value of their purchases from the United Kingdom of fish under this item for establishing a non-sterling quota. This concession only applies, however, if the importer agrees to use the quota on the purchase of fish from Canada. Should it be possible to obtain such fish from the United Kingdom they will not be subject to restriction. (Item 51C4 covers tinned fish other than salmon, crustaceans and sardines. The importation of tinned oysters is prohibited. Other tinned fish under this item are licensed for admission from Canada during the three months, October 1 to December 31, 1940, up to 25 per cent of the combined importations from Canada and the United Kingdom during a similar period in the base year ended June 30, 1939.)

Manufactures of Metal Not Elsewhere Included in the Tariff (tariff item 208A).—This heading covers such a wide range of products that it has been found impossible to list as prohibited or as admissible everything that is classifiable under it. In general, it has been decided to prohibit the further importation from non-sterling sources of those products which may be considered non-essential, or of which there are ample supplies available in Australia or in other sterling areas.

A list, issued on October 10, 1940, of articles classified under tariff item 208A, for which, it is announced, import licences are being refused as from October 1, 1940, is as follows:—

Air-conditioning equipment, viz: grilles, registers, and damper regulators, as specified; metal wrist bands for watches; bands for pens and pencils; basins; enamelled and other baths; bells; bins; boilers; cupboard bolts and catches; boot lasts; boot and shoe fittings, viz: plates, protectors, studs, spikes, and spike receptacles; boxes; branding irons; brackets; buckets (household); buttons for casements, cupboards and doors; bird cages; bottle caps; casket and coffin hardware; cisterns; knife cleaners; cooking irons; corkscrews; corners for

boxes and cases; dippers; dishes; display stands and fittings; door fittings, viz: catches, checks, closers, handles, springs, stops; fence droppers; dumb-bells; carpet ends; ears for buckets, cans, kettles, saucepans and teapots; fasteners and fittings for casements, sashes, and windows; snake belt fasteners; manicure files; hand-bag frames; funnels; ice-cream freezers; gates, and fittings for; garden hose fittings; grindstone fittings; rain gauges; grates; needle cups and lid supports for gramophones; coat hangers; hasps; household type heaters; hinges; luggage tag holders; roll paper holder, with cutter, for counter use; ticket holders for use on trunks, etc.; toilet paper holders; coat, hat and similar hooks; jardinières; furniture labels; night and other latches; alphabet letters; locks (including padlocks); tennis court markers; wire matting for door mats; ice moulds; nameplates; milk cans; oilcans; oil stove ovens; flower pots; glue pots; filter presses; printers' materials, viz: rule bending machines, galley cabinets, lead and rule cutters, steel galleys; pulleys; ranges; key rings; meat safes; lipstick shells; display signs; spark plug cleaning appliances; fruit juice squeezers; cooker stands; pot stands; stands for sewing machines, treadle or hand, including transmission; staples; stoves, enamelled or other; laundry tags; trays; tubs; vases; sash balances and weights; whistles; woven fly wire.

With regard to the balance of goods classified under item 208A, a 50 per cent restriction will apply. The combined total of an applicant's base-year imports under item 208A is to be used for the purpose of arriving at the value of imports to which the 50 per cent restriction is to be applied.

TARIFF DECISIONS

Recent Australian customs decisions, as to the tariff classification and rates of duty on articles regarding which question had been raised, include the following:—

Corrugated asbestos paper for all purposes is admissible free of duty under the British preferential tariff, but dutiable at 15 per cent ad valorem under the general tariff (by-law under item 404).

Hand and breast metal-working drills, operating on the geared principle, free of duty under British preferential tariff, 15 per cent ad valorem under general tariff (rated as a metal-working drilling machine, by-law under item 174Y).

"Balaclavas", being knitted woollen articles for covering the whole of the head (except the face) and neck, 30 per cent ad valorem under British preferential tariff, 65 per cent ad valorem under general tariff, rates to increase as present Australian exchange depreciation may be lessened (item 110D).

Brass shim stock in sheet or strip form 0.002 inch and thicker, 22½ per cent ad valorem under British preferential tariff, 27½ per cent ad valorem plus 3¼d. per pound under general tariff, rates to increase as present Australian exchange depreciation may be lessened (item 139B).

Potato flour, the starch granules of which have been ruptured, indicative of subjection to a cooking process, for use in the manufacture of preparations in dry form for making soap, 20 per cent ad valorem under British preferential tariff, 30 per cent ad valorem under general tariff. (The British preferential duty is at present reduced one-quarter or value-for-duty one-eighth, whichever is less, to compensate for Australian exchange depreciation) (item 101). Other potato starch flour or farina is dutiable at 10s. per cwt. (112 lb.) under British preferential tariff and 18s. 6d. per cwt. under general tariff, both rates to increase as present Australian exchange depreciation may be lessened (item 98C).

Canadian goods under the above items, having the required content of Canadian and/or Australian material and labour, and shipped in accordance with Australian regulations, are entitled to British preferential tariff rates. Goods from all countries outside the British Empire are subject to general tariff rates.

New Zealand

DEFERRED DUTIES

Deferred changes of rates of duty under three items of the New Zealand customs tariff that were to have become effective on November 1, 1940, have been further postponed until November 1, 1941. The items affected are:—

Item 360.—Nails or tacks exceeding 1 inch in length made from iron wire, whether plain, galvanized, or cement-coated, not elsewhere included in the tariff. Present rates, £2 per ton

(2,240 pounds) under the British preferential tariff, £4 per ton under the general tariff; rates deferred to November 1, 1941, free of duty under the British preferential tariff, £4 per ton under the general tariff.

Item 361.—Nails, lead-headed, and galvanized cup-headed roofing nails. Present rates, 20 per cent ad valorem under the British preferential tariff, 40 per cent ad valorem under the general tariff; rates deferred to November 1, 1941, free of duty under the British preferential tariff, 40 per cent ad valorem under the general tariff.

Item 397-1.—White-lead ground in oil. Present rates, 6s. per cwt. (112 pounds) under the British preferential tariff, 9s. per cwt. under the general tariff; rates deferred to November 1, 1941, free of duty under the British preferential tariff, 9s. per cwt. under the general tariff.

Under all three items the British preferential rates (plus surtax of $22\frac{1}{2}$ per cent of duty) are applicable to Canadian goods. The general tariff applies to goods from all countries outside the British Empire and is increased by a surtax of $22\frac{1}{2}$ per cent of the duty except as regards imports from specified "most-favoured" countries under Item 360 only.

Grenada

WAR TAX ON IMPORTS

The Grenada War Tax Ordinance, dated September 27, 1940, imposes the following war taxes on imports into Grenada: 1d. per gallon on motor spirits; 20 per cent of the duty on malt liquors, spirits, wine and tobacco; and 10 per cent of the duty on all other dutiable goods except condensed and other kinds of milk which are exempted from any war tax. These taxes are applicable to both the British preferential and general tariffs and are to remain in force until January 1, 1943.

Northern Rhodesia

IMPORTS OF ALUMINIUM SUBJECT TO LICENCE

A proclamation of the Governor of Northern Rhodesia dated September 24, 1940, made under the Exports and Imports Emergency Powers Ordinance 1939, prohibits, except under licence issued by the Comptroller of Customs, the importation of aluminium into Northern Rhodesia.

Cyprus

WHEAT FREE OF DUTY

Mr. Henri Turcot, Canadian Trade Commissioner at Cairo, reports that, effective October 25, all wheat imported into Cyprus is duty free. Former rates were 10 shillings per ton (2,240 pounds) British preferential tariff and 15 shillings per ton general tariff. (See *Commercial Intelligence Journal* No. 1905: August 3, 1940, page 195.)

India

IMPORT CONTROL REGULATIONS

With reference to the article in *Commercial Intelligence Journal* No. 1904 (July 27, 1940), page 153, a British India open general licence, issued July 29, 1940, gives general permission to import until further notice any of the goods subject to import control when originating in the British Empire, including Mandated Territories but excluding Canada and Newfoundland. All of the restricted goods when originating in Canada or Newfoundland may be imported without licence except: Jams, jellies, pickles, chutneys, sauces and condiments,

canned or bottled; proprietary and patent medicines; motor vehicles and parts; tires and tubes and miscellaneous rubber goods but not footwear or apparel; greeting cards, calendars, copy books and various classes of stationery.

Straits Settlements

IMPORT RESTRICTIONS ON PAINTS

A Straits Settlements Notification of October 1, 1940, adds "Paints ground in oil or water" and "Other descriptions of paints and enamels" to the schedule of goods that may be imported only under licence from Canada and other non-sterling areas.

RESTRICTIONS ON FRUITS AND POTATOES ABOLISHED

A Straits Settlements Notification of September 20, 1940, abolishes import licensing requirements for potatoes, fresh fruits, fruits and vegetables, dried and preserved, onions, garlic, and curry stuffs.

Federated Malay States

IMPORT OF PLYWOOD CASES PROHIBITED

A Federated Malay States Notification of October 1, 1940, transfers "rubber cases made of 3-ply wood and parts and fittings therefor" from the schedule of goods subject to import restriction from Canada and other non-sterling countries to the schedule of goods prohibited importation from those areas.

United States

IMPORT QUOTA LIMITATIONS FOR SILVER OR BLACK FOX UNITS

Mr. D. S. Cole, Canadian Trade Commissioner at New York, writes that a press release of November 15, 1940, by the Bureau of Customs of the Treasury Department, Washington, D.C., announces that, in order to provide equal opportunities to all customs ports of entry for the filing of entries and withdrawals for consumption covering silver or black fox units subject to quota limitations under the provisions of the supplementary trade agreement with Canada, signed on December 30, 1939, at the opening of the quota period on December 2, 1940 (December 1 falling on Sunday), the collectors of customs have been instructed that no entries or withdrawals for consumption covering such merchandise shall be accepted on that date before 12 noon Eastern Standard Time at any port in the Eastern Standard Time Belt, 11 a.m. Central Standard Time in the Central Standard Time Belt, 10 a.m. Mountain Standard Time in the Mountain Standard Time Belt, and 9 a.m. Pacific Standard Time in the Pacific Standard Time Belt.

Under the terms of the supplementary trade agreement, signed on December 30, 1939, 58,300 units from Canada and 41,700 units from all other foreign countries may be entered, or withdrawn from warehouse, for consumption during the twelve-month period commencing December 1, but not more than 25 per cent of these quotas may be entered, or withdrawn from warehouse, for consumption during any one month.

The quota status of silver or black fox units is determined by the time and date when entry or warehouse withdrawal for consumption covering such merchandise is presented in proper form at the customs house. No quota status will attach in December by reason of the presentation of an entry or withdrawal in any prior period.

If units are presented for entry at the opening of the quota period in excess of the quota limitations, it will be necessary to prorate the number of units permitted entry under each entry and withdrawal on the basis of the number presented for entry.

EXCHANGE CONDITIONS IN EMPIRE AND FOREIGN COUNTRIES

New Zealand

W. F. BULL, CANADIAN TRADE COMMISSIONER

Auckland, October 19, 1940.—There has been no important change in New Zealand's foreign exchange control regulations since the last report on this subject, which appeared in *Commercial Intelligence Journal* No. 1898; June 15, 1940.

Importers are still required to obtain a foreign exchange allocation from the Reserve Bank of New Zealand before placing orders for merchandise covered by import licences. As a result of good export prices and favourable growing conditions, New Zealand's exports for the year ended June, 1940, reached a new record value. During the same period, as a result of import restrictions, imports were reduced in value by 18½ per cent. This double movement has led to a very substantial increase in New Zealand's foreign exchange balances; accordingly there is no delay in allocating foreign exchange to cover imports and merchants are now able to establish letters of credit freely or to arrange telegraphic transfers to cover licensed imports.

To cover the loss of goods at sea through enemy action, a new procedure has been worked out by the exchange control authorities. Upon arrival of documents relating to the lost shipments, the banks will present drafts for payment. They will then remit the proceeds, and will make the usual writing-off from the importers' exchange authorities. Authority has been given by the Reserve Bank for the utilization of insurance moneys payable in London to replace lost goods, subject to the importer making a declaration that the funds will be used for that purpose. Normally, payment for the second shipment will be made from the proceeds of the insurance policy. The importer will in due course present the relative shipping documents to the customs office for endorsement of his licence.

In cases where the insurance is payable in New Zealand, the same procedure will be followed, but it will be necessary for the importer to apply for a further exchange authority to remit payment for the replacement shipment, supporting the application with a copy of the licence.

Under this system the exporter will receive prompt payment for the original shipment, and payment for the replacement shipment probably not longer after its dispatch than if he had to send a draft to New Zealand for collection. The importer will suffer the inconvenience and expense involved by the delay in receipt of the goods, but there would be a similar result from a shipping casualty in peacetime.

Peru

W. G. STARK, ASSISTANT TRADE COMMISSIONER

Lima, November 5, 1940.—During the past four months the selling rate for the Peruvian sol has remained steady at 6.50 soles to the United States dollar. Cheques on New York are usually purchased by the commercial banks at the rate of 6.485 soles to the dollar. There are no restrictions in securing United States dollars in payment for imports, but recently there have been some delays due to a slight shortage of those funds. Payments for most ordinary commercial transactions are, however, going forward in a satisfactory manner.

On the other hand there is a decided scarcity of sterling. The general balance of trade between the United Kingdom and Peru was formerly unfavourable to Great Britain. At the beginning of the year, balances in sterling which had accrued were disposed of by the commercial banks for dollars in the New York market. Recent purchases by the United Kingdom have been small, so that at present there is an acute shortage of sterling, and Peruvian importers

are finding it very difficult to effect settlements. Study is being given to this question by the banks, although it presents a difficult problem, particularly since cotton, wool, and sugar exports from Peru have been reduced to low levels.

A Payments Agreement between the Central Reserve Bank of Peru and the Bank of England was put into effect on September 2, 1940. This agreement requires that all commercial and financial payments (with certain exceptions for private accounts) between Peru and countries within the sterling area be put through special accounts opened by Peruvian banks with their United Kingdom correspondents. Quotations for sterling, according to the terms of the agreement, are to be based on the dollar-sol quotation and the official London-New York cross rate of \$4.025 per pound sterling. Thus at present these sterling rates are 26.16 soles for selling and 26.10 soles to the pound for buying.

Canadian exporters are advised to endeavour to obtain cash-against-documents terms, which are the general rule for business transactions in this market. Letter-of-credit terms are ordinarily accepted by the importer only under special circumstances, for example, in payment for a shipment of automobiles or where the seller finds himself in such a strong position that he can insist on these conditions. Considerable trade is still being put through on short-term credits, but these are only advisable when from experience the exporter has full confidence in the importer's ability to pay. It is recommended to Canadian shippers that, when furnishing quotations to Peruvian firms, offers be expressed in United States currency, as this basis is well understood and these funds can be more readily obtained by the Peruvian importer.

Bolivia

W. G. STARK, ASSISTANT TRADE COMMISSIONER

Lima, Peru, November 8, 1940.—There is strict exchange control in force in Bolivia. With only certain exceptions no purchases or sales of products in foreign currency are allowed within the country, and receivers of drafts for merchandise or labour must turn these over to the Central Bank for conversion into Bolivian money. In buying imported articles only absolute necessities may be purchased at the pegged rate of approximately 40 bolivianos to the United States dollar, which exchange is obtained from deliveries by the mining companies to the Central Bank. All other transactions must be concluded either at the compensation selling rate of 55 bolivianos or, if a sufficient amount of such exchange is not available, at the curb market price of approximately 60 bolivianos to the dollar.

Exchange is difficult to obtain, and Canadian exporters are advised to endeavour to arrange for irrevocable letter-of-credit terms or cash with orders. Cash against documents or more favourable terms are only recommended when from experience the Bolivian importer has demonstrated his ability to meet such commitments satisfactorily.

BUSINESS CONDITIONS

General economic conditions latterly have shown slight improvement due to the increased prices offered for Bolivian tin and other metals. A Payments Agreement has recently been concluded between Bolivia and the United Kingdom. Price-regulating committees have been set up by the Government to stabilize prices and to prevent speculation in certain classes of merchandise. The importation of all goods into Bolivia is also controlled by the Government, and so-called "luxury articles" cannot be brought into the country unless within the quota fixed by the Departments of Commerce and Finance.

Present conditions, although an improvement over those prevailing in the first six months of the year, are unsatisfactory, and traders generally would welcome a more flexible system of exchange control.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING NOV. 18, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, November 18, 1940, and for the week ending Tuesday, November 12, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Nov. 12	Nominal Quotations in Montreal Week ending Nov. 18	Official Bank Rate
Finland	Markka	.0252	\$.0216	\$.0216	4
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Hungary	Pengo	.1749			
	Official		.3227	.3227	4
	Free		.2149	.2149	—
Yugoslavia	Dinar	.0176	.0249	.0249	5
Portugal	Escudo	.0442	.0442	.0443	4-4½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2644	.2643	3½
Switzerland	Franc	.1930	.2575	.2575	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2264	.2264	3
Jamaica	Pound	4.8666	4.4800	4.4800	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2624	.2609	—
Brazil	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0557	.0557	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6327	.6327	4
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4330	.4420	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.6000	4.6000	—
China (Shanghai)	Dollar	.....	.0636	.0645	—
Hongkong	Dollar	.....	.2591	.2605	—
India	Ruppee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2602	.2602	3.29
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5760	3.5760	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

The Dominion Bureau of Statistics has supplied the following note:—

Official buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds continued unchanged at \$4.43-\$4.47 and \$1.10-\$1.11 during the week ended November 18. At New York sterling free market rates held unchanged at \$4.04 throughout the week in exceptionally dull trading. In this connection it was reported that the business that could be done in "free" sterling had grown very small. Fluctuations in Canadian dollar rates at New York were insignificant, the closing quotation at 87 cents indicating no net change for the week. Among Far Eastern currencies rates at Montreal for both the Shanghai and Hongkong dollar were firmer, the former unit having shown a moderate recovery following reports in the earlier part of the week that Japan had taken over the Shanghai banking system. There was a 15 point decline to 26.09 cents for the Argentine peso (free rate) between November 12 and 18, while traders awaited the outcome of the Argentine Mission to Washington, which is concerned with the currency situation.

Canadian manufacturers and exporters are strongly advised to file all numbers of the *Commercial Intelligence Journal* for future reference, and to bind them with the Index at the end of each half-year.

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Handkerchiefs.....	679	Rio de Janeiro, Brazil.....	Purchase and Agency.
Foulards and other Material for Necktie Manufacturers.....	680	Rio de Janeiro, Brazil.....	Agency.
Surgical Instruments.....	681	Melbourne, Australia.....	Purchase or Agency.
Powdered Iron.....	682	Sydney, Australia.....	Purchase.
Potassium Triorthochloride.....	683	Sydney, Australia.....	Purchase.

COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

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Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

Hongkong

R. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

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Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

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Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

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London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfracom.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

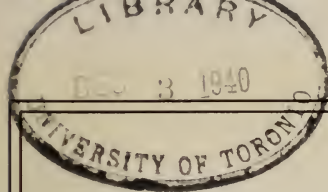
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New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: G. R. HEASMAN, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.



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No. 1922



Ontario Flue-cured Tobacco hanging in a Kiln after curing

ISSUED BY AUTHORITY OF

THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE

L. D. WILGRESS, DEPUTY MINISTER

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Vol. LXIII

Ottawa, November 30, 1940

No. 1922

POINTS FOR EXPORTERS TO HAITI

MAURICE BÉLANGER, ACTING TRADE COMMISSIONER

Havana, November 12, 1940.—The island of Santo Domingo, the second largest of the West Indian islands, lies between Cuba, the largest island, and Puerto Rico, a possession of the United States. The total area of the island is approximately that of Ireland. It is located between 68° 30' and 74° 30' west longitude and between 17° 40' and 20° north latitude. The island comprises two separate countries, the Dominican Republic and the Republic of Haiti.¹

AREA AND TOPOGRAPHY

The Republic of Haiti occupies the western end of the island of Santo Domingo and covers about one-third of its total area. The area of the Republic is roughly 10,000 square miles, or about half that of Nova Scotia.

The country is shaped roughly like a horseshoe and surrounds the Gulf of Gonaives, at the southern extremity of which is Port-au-Prince, the capital and leading seaport. The country is very mountainous and heavily wooded. The highest peaks reach 10,000 feet, and those in the Cibao mountain chain average about 7,000 feet. There are numerous valleys of great fertility, and the elevated lands may be cultivated almost to the summits of the mountains.

There are a number of rivers but none is of any economic importance. The largest is the Artibonite, which flows from east to west into the Gulf of Gonaives and which is navigable for about 100 miles, but there is no shipping on it of any importance.

CLIMATE

The temperature of Haiti is not excessively high, seldom exceeding 90° F. There is not much difference in temperature between the seasons, the yearly average at Port-au-Prince being around 80° F. In the central region, including Port-au-Prince, there is a dry season from the beginning of December to the end of February. During this period the weather is slightly cooler. There are two rainy seasons, from April to June and from August to October, the heaviest precipitation usually occurring in May and September. During the rest of the year precipitation is fairly normal. On the whole the climate does not constitute a hardship, and the nights are usually pleasant even in the warmer season.

POPULATION

The population of Haiti is now estimated at approximately 3,000,000 as compared to a population of 1,500,000 in the neighbouring Dominican Republic, a country twice the size of Haiti. The density of the population is almost 300 per square mile. Over 95 per cent of the population is pure Negro and the remaining 5 per cent mostly mulattoes.

¹ Copy of a report entitled "Points for Exporters to the Dominican Republic" may be obtained on application to the Department of Trade and Commerce, Ottawa.

LANGUAGE

The official language of Haiti is French, but the greater part of the population, especially in the rural districts, speak a dialect based on French but containing a high percentage of Spanish, Indian and English words. Exporters will find that the most important trading firms can correspond in English and, although the use of French in correspondence is recommended, the use of English will in most cases not constitute a serious handicap. It should be remembered, however, that Haiti is not a Spanish-speaking country and that this language should never be used in writing to Haitian firms. If catalogues and other literature are not available in French, they should be supplied in English.

SYSTEM OF GOVERNMENT

Haiti, formerly a French colony, proclaimed its independence in 1804, but the present constitution was not adopted until 1918. The territory is now governed as an independent republic by a President, assisted by a council of Secretaries of State. The seat of government and capital city is Port-au-Prince.

In 1915, following a series of uprisings, the United States Government was impelled to land a force of marines to restore order and protect United States interests, but the country has now been at peace for a considerable time, and the marine corps has been withdrawn.

Under the terms of various agreements between the United States and Haiti, of which the latest was signed in August, 1933, the revenues and finances of the country are under the control of a Fiscal Representative who reports to the Secretary of State at Washington and to the Haitian Government.

PRINCIPAL CITIES

Port-au-Prince, the capital city, is also the chief commercial centre and has a population of 80,000 inhabitants. It is located at the lower extremity of the Bay of Gonaives and is the terminus for most of the shipping lines serving the Republic of Haiti. The next largest city is Cap Haitien, the capital of the Department of the North, with a population of 20,000. Other cities of importance are Aux Cayes, on the southeast coast of the Tiburon peninsula (population 15,000); Jacmel, on the south coast of the island (population 10,000); Port de Paix, on the north coast (population 7,500) and St. Marc (population 10,000).

PORTS AND SHIPPING

Port-au-Prince is by far the most important shipping centre and the only port in the Republic with adequate pier facilities. The harbour is excellent and the docks can accommodate large vessels. This port handles a high proportion of the total import tonnage and is the only one to which Canadian exporters are likely to have occasion to make shipments. At the present time it is estimated that nearly 80 per cent of total imports of merchandise are entered at Port-au-Prince, while Cap Haitien, second in importance, accounts for only about 7 per cent of total imports.

There is no direct steamship service between Canadian ports and Haiti, but a regular freight and passenger service is operated from New York by the Panama Railroad Steamship Company, with calls at Port-au-Prince on the way to and from Panama, and there are regular freight services from New York and other United States ports.

CURRENCY, WEIGHTS AND MEASURES

The official unit of currency is the gourde, the value of which is fixed by law at 20 cents United States currency and which is exchangeable without

expense for United States currency at the above rate. Canadian exporters may quote in Canadian or United States currency, but the latter is usually preferred by Haitian importers, as the inflexible legal rate of exchange between Haitian and United States currencies eliminates any exchange risk.

The metric system of weights and measures is in force and must be used in consular invoices, customs declarations and similar official documents and in weight markings on containers. In the trade the United States gallon is widely used as a liquid measure, and in the retail textile business the "aune" (ell) of 45 inches is more widely used than the metre.

BANKING

There are two banks operating in Haiti, the National Bank (*Banque Nationale de la République d'Haiti*), controlled by the State, and the Royal Bank of Canada with offices at Port-au-Prince.

RAILWAYS AND ROADS

Railway facilities are limited in Haiti, the total length of the National Railroad (Port-au-Prince to Verrettes) being about 85 miles. Most travel is by road but, due to the mountainous nature of the country and the absence of really modern highways, communication between Port-au-Prince and inland cities is somewhat slow and precarious, especially in the rainy season. There is a motor road between Port-au-Prince and Ciudad Trujillo (formerly Santo Domingo), the capital of the Dominican Republic. A public works project was initiated some time ago to improve roads, and some progress has been made in the past few years.

PURCHASING POWER

The purchasing power of the Haitian people is extremely low and, despite the relatively high density of the population, this country does not offer much of a market for imported goods. Yearly imports work out at approximately \$2.50 per capita as compared to \$8 in the neighbouring Dominican Republic, \$22 in Jamaica and \$26 in Cuba. The urban population does not exceed 300,000, wages of farm labour are very low and, due to the almost complete absence of industries, there are relatively few skilled workmen earning a higher rate of wages. In recent years government expenditures on public works and a certain measure of success in crop diversification have tended to prevent a drastic decrease in purchasing power, which should normally have followed the considerable falling-off in the value of Haiti's main export products; but under present conditions no improvement can be expected in the near future.

NATURAL RESOURCES

Haiti's main natural assets are its climate and the fertility of its soil. There are considerable forest reserves, especially logwood; but, due to low prices, exports of wood and wood products in 1939 did not exceed \$10,000. Mineral resources are of no economic importance and, while there are known deposits of various minerals, including gold, silver, copper, antimony, tin, sulphur, nickel, etc., none of these have so far been considered of sufficient importance to justify their development.

AGRICULTURE

Haiti is essentially an agricultural country and undoubtedly one of the most fertile in the world. Agriculture, however, is carried out by primitive methods on small holdings and without sufficient diversification of crops. Coffee is by far the most important crop, exports of this commodity representing

approximately 75 per cent of the value of Haiti's total exports. In the early days of the Colony French settlers established important coffee plantations, but these were broken up into small farms following the expulsion of the French, and much of the land has not since been properly cultivated. Today coffee grows practically wild on the many hillsides and mountains, in some cases at surprisingly high altitudes. The yield of the plants and quality of the coffee has tended to decrease, and the lack of proper harvesting and drying methods, as well as careless grading, has hurt the value of the crop. Efforts have been made in recent years to improve drying and grading but, due to the lack of organization and the great number of small-scale private enterprises, progress in this direction has been slow.

The coffee crop varies greatly in importance from year to year. For many years up to 1935-36 the average normal crop was between 31 and 32 million kilos (of 2·2 pounds). However, in the past three years (1937 to 1939 inclusive) the crop has been far below these figures and has not averaged more than 27 million kilos. This has caused a further reduction in the total export value of this all-important crop, already seriously affected by the steady and drastic decline in prices from a high of U.S.\$0.68 per kilo in 1925 to an average price of U.S.\$0.16 per kilo in 1938-39. At the present level there is very little margin between the selling price and cost of production, even with cheap labour and under the prevailing system of peasant farming.

The next crop in importance in 1938-39 was sugar, which accounted for 13·43 per cent of the value of total exports. The crop was over 37 million kilos, 11 per cent higher in volume than in the previous year. Sugar is produced by more modern methods than coffee, the largest producer being a United States concern operating a large plantation in the Plaine du Cul-de-Sac, a valley extending behind Port-au-Prince. This is the most important single enterprise in the Republic.

The production of raw sugar in Haiti is increasing steadily, the amount produced in 1938-39 being the largest on record. The increase in average f.o.b. prices, which rose from 0·111 gourde per kilo in 1938 to 0·131 gourde in 1939, resulted in an increase of 31 per cent in the total value of sugar exports in 1938-39. The average price for the last crop year was the highest since 1930-31. The future of Haitian sugar is not clear, as it will depend to a great extent on the development of world market conditions, but the quota granted to Haiti for the present year under the International Sugar Agreement is very favourable, amounting to practically the total present productive capacity of the industry.

Cotton was for many years Haiti's second most important crop, but production has decreased steadily from year to year, due mostly to the prevalence of the boll weevil. The reduction has averaged about 15 per cent for each of the last few years, but was almost completely checked in the 1938-39 crop year when production was at practically the same level as in the previous year. Exports amounted to 4,671,839 kilos as compared to 4,660,000 kilos in 1937-38. Lower prices, however, caused a decrease of 16 per cent in the value of exports as compared to that for 1937-38. The average price for the 1938-39 season, f.o.b. Haitian ports, was at the lowest level since 1932-33.

Sisal cultivation has made considerable progress, and the crop in 1938-39 was the largest ever harvested. Practically all sisal is plantation produced, and only a small quantity of wild sisal is picked. The largest plantation is located near Fort Liberté, a large proportion of the crop being shipped from that port. Prices, unfortunately, are at present at a very low level, but it is considered that even under present conditions production costs are so low in Haiti that this crop is still profitable.

The most outstanding achievement in the agricultural industry has been the development in recent years of banana plantations. Production has been

increasing rapidly, and over two million stems were shipped in 1938-39 despite very unfavourable and exceptional weather conditions. It is estimated that under normal conditions the production would have reached 3,000,000 stems.

The production of cacao because of unfavourable price conditions and also to some extent the improvement in the quality of the West African product, has been somewhat neglected in recent years, and this crop is not nearly so important as formerly. Production in 1938-39 was slightly under 2,000,000 kilos.

There are at present no other agricultural crops of any economic importance in Haiti, but efforts are being made to further diversify production, as it is felt that the country's welfare depends too much on the future of coffee.

EXPORT TRADE

The fiscal year in Haiti is from October 1 to September 30, and all trade figures are based on that period. For the sake of convenience, the fiscal year 1938-39 will be referred to in this report as the year 1939, and previous fiscal years will be similarly designated.

Despite unsatisfactory trade conditions and generally lower prices of staple products, the total value of exports from Haiti increased from 72,706,000 gourdes in 1938 to 77,242,000 gourdes in 1939. Among the major export items, coffee, sugar and bananas were higher in export value than in the previous year; exports of cotton, sisal, cacao, goat skins, cotton-seed cake, logwood and molasses were lower in value. In volume, all the leading items were higher with the exception of cotton exports, which were slightly lower than for 1938. The following table shows the values of total exports of Haiti's leading products in the past two years, with the percentage of the total accounted for by each of these items:—

Principal Exports of Haiti

	1938 Gourdes	1939 Gourdes	Per Cent of Total in 1939
Coffee	17,327,215	18,728,054	51.54
Cotton	5,261,949	4,416,524	12.15
Sugar	3,728,416	4,878,536	13.43
Sisal	3,236,252	2,702,274	7.44
Bananas	2,001,128	2,820,679	7.76
Cacao	693,608	613,780	1.69
Goat skins	452,873	396,313	1.09
Cotton-seed cake	414,508	309,916	0.85
Logwood	372,833	287,133	0.79
Molasses	596,756	389,960	1.07
All other	646,414	795,006	2.19
	34,731,952	36,338,175	100.00

In recent years the United States has become the most important purchaser of Haitian goods; sales to that country in 1939 accounted for 34.43 per cent of total exports. For many years prior to 1936 France was first on the list of Haiti's customers and normally could be counted on to absorb approximately 50 per cent of total exports. This high percentage was due mostly to large purchases of coffee under special reciprocal agreements of great benefit to Haiti. These agreements in recent years became more difficult to negotiate, due to the inability of Haiti to absorb a sufficiently large quantity of French products and also to a growing desire on the part of France to purchase coffee in the French Empire. In 1939 France ranked second on the list of purchasing countries, following the United States; but Germany's conquests have now closed the French market as well as other promising markets in Belgium, Denmark and Germany. Canada is in eighth place, but exports to Canada in 1939 were valued at only 221,463 gourdes, of which 206,000 gourdes were accounted for by exports of coffee.

One of the most pressing problems now facing Haiti is the replacement of European markets closed on account of the war. This applies more particularly

to outlets for coffee, for which a market will have to be found in the United States. This is not merely a problem in selling but also in production, as Haitian coffee does not conform to taste requirements in the United States, due to its marked earthy flavour. Efforts are being made to overcome this handicap by the use of concrete drying platforms, to replace the prevailing method of drying on the ground.

Following is a list of the leading purchasers of Haitian products in order of their importance in 1939, showing the value of exports to each:—

Exports from Haiti by Principal Countries

	Value in Gourdes	Per Cent of Total Exports
United States	12,511,033	34.43
France	7,614,544	20.96
United Kingdom	6,862,156	18.88
Belgium	3,738,412	10.29
Denmark	1,887,232	5.19
Germany	1,140,020	3.14
Netherlands	561,471	1.55
Switzerland	293,383	0.81
Czecho-Slovakia	277,843	0.76
Canada	221,463	0.61

IMPORT TRADE

Total imports into Haiti in 1939 were valued at 40,903,683 gourdes as compared with slightly less than 38,000,000 gourdes in 1938. Textiles and clothing accounted for practically one-third of total imports, the largest single item being cotton piece-goods. Plain woven cotton, bleached or unbleached, was imported to the value of nearly 2,000,000 gourdes, and plain woven cotton prints and plain dyed cotton cloth to a value of over 5,000,000 gourdes. Foodstuffs accounted for 13.7 per cent of total imports as compared with 17 per cent in 1938. This decline is due in part to lower purchasing power but also to some extent to an increase in the quantity and diversity of food products grown locally. Wheat flour was the largest single item in this group with a value of slightly over 2,000,000 gourdes, and fish was the second largest item with a value of close to 1,000,000 gourdes. Imports of both these items have decreased considerably in recent years, average yearly imports of wheat flour from 1927 to 1931 being almost 11,000,000 gourdes and average imports of fish for the same period being over 3,000,000 gourdes. Most items on the import list were lower in 1939 than in 1938, the only sizable increase being in iron and steel and manufactures thereof, imports of which increased in value from 1,687,000 in 1938 to 2,121,000 gourdes in 1939.

Following is a list of the leading import items, showing the value of imports of each in 1939 and the average for the years from 1917 to 1939:—

Imports Into Haiti by Principal Commodities

	1939 Gourdes	Av. 1917-39 Gourdes
Agricultural implements	518,285	553,029*
Books and other printed matter	162,403	279,598*
Cement	776,342	481,200
Chemical and pharmaceutical products	1,097,514	857,740
Cotton, and manufactures, other than textiles	1,881,399	2,530,033*
Fibres, vegetable, and manufactures, other than cotton and textiles	660,522	1,340,962
Foodstuffs—		
Fish	965,082	2,433,516
Wheat flour	2,103,752	8,527,041
Meats	313,088	991,798
Rice	166,440	1,163,229
All other	2,049,875	1,829,334

	1939 Gourdes	Av. 1917-39 Gourdes
Household utensils: crockery, porcelain, glassware, cutlery and kitchen utensils, of aluminium, iron and steel	678,437	920,174*
Iron, steel and manufactures, other than specified	2,121,388	2,865,059
Leather	114,256	461,109
Liquors and beverages	719,629	971,952
Lumber	917,564	1,137,593
Motor vehicles—		
Automobiles, passenger	711,774	1,066,427*
Trucks	853,483	417,269*
Oils, mineral—		
Gasoline	1,105,700	1,125,971
Kerosene	552,033	1,000,724
All other	637,679	470,487
Shoes	208,044	553,134*
Silk, and manufactures, except textiles	132,596	159,908*
Soap	1,862,458	2,678,212
Textiles, cotton	10,474,034	15,595,482
All other	460,044	1,213,448
Tobacco—		
Leaf	123,647	883,540
All other	92,688	180,047†
Cigarettes	415,194	267,568†
Wool, hair and manufactures, except textiles	116,041	159,096
All other	7,912,602	8,294,193
Total	40,903,683	64,408,873

* Average for 13 years only. † Average for eight years only.

The United States has always been the main source of imports, and in 1939 that country supplied 62.26 per cent of Haiti's total imports. The United Kingdom was second with 11.13 per cent, followed by Germany, France, Belgium, Japan, Canada, Curacao, and Holland.

IMPORTS FROM CANADA

Total imports into Haiti from Canada in 1939 were valued at U.S.\$144,077 as compared to \$181,200 in 1938. The most important single item was pickled or smoked fish (\$59,907), followed closely by dry salt fish (\$58,109). The only other important items were: wheat flour (\$7,919), automobile tires and tubes (\$9,500), paper (\$1,423), potatoes (\$900), butter (\$1,872), manufactures of silk (\$913), and non-ferrous metals and manufactures thereof (\$661).

The following were also imported from Canada but in much smaller quantities: canned fish (\$347), books and other printed matter (\$316), vehicles and accessories (\$145), patent medicines (\$292), manufactures of copper (\$198), pickled meats (\$278), distilled spirits (\$145), manufactures of iron and steel (\$136), paints and pigments (\$123), manufactures of wool, bristles and hair (\$172); machinery and apparatus (\$120). A few other products are shown in Haitian statistics as having been imported from Canada, but the quantities are insignificant. As a result of the lack of direct steamship facilities between Canada and Haiti, certain goods of Canadian origin imported into Haiti from the United States are no doubt credited to the latter country in the Haitian import statistics. This would affect particularly such commodities as newsprint and wheat flour.

IMPORT AND EXCHANGE RESTRICTIONS

The only import restrictions in force in Haiti are the usual licence requirements for entry of firearms and ammunition and the sanitary requirements affecting imports of lard and lard substitutes and fresh fruits and vegetables. A certificate of purity issued by a duly recognized inspection service of the Department of Agriculture in the country of origin should accompany all shipments of lard and lard substitutes, and a certificate of inspection is also required for fresh fruit and vegetables. These certificates must be submitted to a Haitian consular official for a visa before shipment. There is no charge for the visa.

There are no restrictions of any kind on the purchase or sale of foreign exchange or on the export of capital or currency, and payments by importers may be made freely in any currency.

CUSTOMS TARIFF

The import tariff is the main source of revenue of the Republic, accounting in 1939 for 66·7 per cent of total government returns. The rates of duty are comparatively high, and the average rate in 1939 was 50 per cent of the value of the goods imported. Canadian goods imported into Haiti are entitled to most-favoured-nation treatment and consequently pay duty at rates as low as those granted to any other foreign country.

Duties are calculated on the gross weight or net weight or on the c.i.f. value, depending on the nature of the goods and the item under which they are classified. On many items duties are based either on the weight or on the value. The Customs law provides that on such items the basis (weight or value) producing the higher return will be adopted. As an example, the rate on fresh apples being 0·06 gourde per kilo net or 20 per cent ad valorem, the specific duty will be applied if the apples cost less than 0·30 gourde per kilo, but if the price is higher the ad valorem rate will be used.

Complete information regarding the Haitian customs tariff and rates applying to Canadian goods may be obtained on application to the Department of Trade and Commerce, Ottawa.

DOCUMENTARY AND MARKING REQUIREMENTS

Freight shipments to Haiti must be accompanied by a consular invoice and bill of lading, both bearing the visa of a Haitian consulate. Shipments by air must be accompanied by an airway bill in duplicate. Parcel post shipments require only the usual customs declaration tag or label, but a copy of the commercial invoice should be enclosed with the parcel. The commercial invoice does not require a visa but should contain the same complete information regarding the shipment as would be required on a consular invoice. A sanitary certificate is required for shipments of fruits and vegetables and a certificate of purity for shipments of lard and lard substitutes.

Goods imported into Haiti must be marked with the name of the country of origin under penalty of being assessed under the maximum tariff, which is double the tariff applicable to Canadian goods. This applies to sample shipments as well as to regular shipments.

Full particulars regarding the preparation of documents, number of copies, etc., as well as with respect to the marking of goods and containers will be found in a leaflet entitled "Republic of Haiti: Documentary Requirements and Marking Regulations", which may be obtained on application to the Department of Trade and Commerce, Ottawa. The regulations and requirements outlined in this leaflet are of the greatest importance and should be studied carefully before goods are shipped, in order to avoid complications and extra expense for the importer.

TERMS OF PAYMENT

When goods are sold through agents who can be trusted to accept orders only from reliable firms, terms of cash against documents may be granted without undue risk. When selling direct to an importer, shipments should only be made against irrevocable letter of credit until the standing of the importer has been investigated. This applies particularly to shipments of perishable goods for which there is danger of the importer refusing the documents in the hope of securing a lower price or because of a fall in the market. Only in exceptional cases and after a careful investigation of the purchaser's credit standing should payment facilities be extended.

The Canadian Government Trade Commissioner at Havana will submit reports on Haitian firms to Canadian firms on request.

COMMERCIAL TRAVELLERS

There is a tax of \$50 a year payable by anyone entering the Republic to sell or offer for sale goods of any description. This tax is payable quarterly, so that a commercial traveller whose stay in the Republic does not exceed three months is called upon to pay only one instalment of \$12.50.

The most pleasant time of the year to visit Haiti is from October to May, when the weather is cooler, but importers usually place their orders during the slack summer season so as to obtain delivery before the coffee harvest, which starts in October.

SAMPLES

When sent, samples of no commercial value or which have been deteriorated so as to make them unsaleable are admitted free of duty. Samples of dutiable goods having a commercial value are dutiable at the same rates as those applying to regular shipments of the same goods. Samples forwarded by mail, parcel post or air express need not be accompanied by consular documents, but a copy of the commercial invoice should be included with the shipment. Samples shipped by freight are subject to the same documentary and consular requirements as other shipments. Containers should be clearly marked with the name of the country of origin of the goods, otherwise the maximum rate of duty will be charged.

Canadian firms should never send dutiable samples to Haiti without having first ascertained from the importer in what quantity and in what form they are required. The importer will often wish to give definite instructions regarding the packing of samples so as to reduce the amount of duty. On light textile items, for instance, the amount of duty may be multiplied many times if samples are attached to heavy display cards or packed in individual cardboard boxes.

When carried, samples brought in by commercial travellers are admitted free of duty if they have no commercial value, but duty must be paid on all saleable samples. A refund of the full amount of the duty may be obtained upon re-exportation within six months, provided the intention to re-export the samples was notified to the Customs authorities within thirty days of the date of entry. Samples must be carefully listed, described and valued in the baggage declaration.

PACKING

Special care should be taken to protect goods likely to be affected by the hot, humid climate. This can be done by lining shipping containers with waterproof material, either metal or specially treated paper. For metal goods or parts of machinery which are not protected by galvanizing, parkerizing, enamel, chromium or some similar process it is advisable to cover them with a protective film of oil or grease or a slushing compound, especially if the goods are not for immediate use and may be expected to remain for some time in a warehouse.

A number of products are dutiable on the basis of their gross weight, including all packing. On such items it is to the advantage of the importer that the weight of the packing be reduced, if this can be done without risk of injury to the contents. When items are dutiable on the net weight, this is understood, according to the Customs law, to include immediate containers such as cardboard boxes, display cards to which the goods are attached, etc., and this provision should be borne in mind. Any instructions received from the importer regarding packing should be carried out carefully, as failure to do so may mean additional expense to him and he may even in some cases feel justified in refusing the goods or submitting a claim to the exporter.

POSTAGE AND PARCEL POST

The rate of postage for letters to Haiti from Canada by surface mail is 3 cents for the first ounce and 2 cents for each additional ounce. The postcard rate is 2 cents.

Parcel-post rates from Canada to Haiti are 20 cents per pound up to 10 pounds, \$2.50 for parcels over 10 pounds and up to 15 pounds and \$3 for those weighing over 15 pounds and up to 20 pounds.

The airmail rate from Canada to Haiti is 10 cents for each quarter ounce. Air mail should be used for all urgent letters, as this will result in a considerable saving of time.

REPRESENTATION

Generally the best means of obtaining orders is through an exclusive commission agent. In most cases, an active agent located at Port-au-Prince will adequately cover the whole of the country. The Canadian Government Trade Commissioner at Havana, whose territory includes Haiti, is in touch with reliable and active agents and will place Canadian exporters in contact with such firms on request. When quotations are submitted through the office of the Trade Commissioner, or directly to prospective agents in Haiti, these should be c.i.f. Port-au-Prince or at least f.a.s. New York, as neither the office of the Trade Commissioner nor the prospective agent is in a position to determine freight and handling charges from an interior point in Canada to New York. Full information regarding discounts, terms of payment and rate of commission should also be given at the first opportunity, so as to save a lengthy exchange of correspondence and consequent loss of time.

MR. SYKES' TOUR OF CANADA

Mr. Paul Sykes, Canadian Trade Commissioner at Bombay, India (whose territory includes Burma and Ceylon), is on tour in the Dominion in the interest of Canadian trade with his territory.

The remainder of his itinerary is as follows:—

Calgary Dec. 2
Vernon and Kelowna . . . Dec. 4

Vancouver and Victoria . . Dec. 6 to 23

Canadian firms who wish to be brought in touch with the Trade Commissioner should communicate for Vancouver and Victoria with the office of the Canadian Manufacturers Association, and for the other centres with the respective Board of Trade or Chamber of Commerce.

MR. BRIGHTON TO VISIT THE NETHERLANDS WEST INDIES, VENEZUELA AND COLOMBIA

Mr. H. W. Brighton, Canadian Trade Commissioner at Panama City, plans to visit the Netherlands West Indies, Venezuela and Colombia in the interests of Canadian trade early in 1941. He expects to leave Panama not later than the second week in January, and in the course of this tour will spend some time in each of the principal business centres.

Canadian exporters interested in these markets and desirous of having investigations made on their behalf should communicate immediately with Mr. Brighton, supplying him with precise and full information. His address for letters is P.O. Box 222, Panama City, R.P.

EFFECTS OF THE WAR ON MEXICAN TRADE AND INDUSTRY

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, November 15, 1940,—The disruption in the industry and foreign trade of Mexico caused by present hostilities is becoming increasingly pronounced. Disorganization exists even in those industries which prepared themselves, on the basis of experience in the last war, to face such a situation.

MINING

The trend of war demands has surprised the mining industry of Mexico, which is one of Mexico's most important commercial activities. It was generally believed among the miners, on the basis of experience in the first World War, that there would be an increased demand for minerals and heavy increases in prices. On the contrary, owing to the greater care with which the Allies have made their purchases, there have been severe losses in Mexican mineral production instead of profits. Except on the part of the Japanese, little interest has been shown in Mexican minerals or, for that matter, in Mexican petroleum, mercury, foods and other products. There has also been little interest among the belligerents in metals from Mexico. Even the imports of Mexican copper into the United States have decreased. Meanwhile, the Mexican producers of copper had arranged to increase their output this year by one-third as compared with 1939. In the case of zinc, the loss of the large sales for Belgian refineries has not been offset by any increased exports to South America and the Orient. The closing of the European markets to Mexican lead has resulted in some 70,000 tons, or the production of four months, being placed in storage.

The demands of Mexican labour and the high wages in the mining industry have rendered the position of the mineral-producing companies even more difficult.

FOREIGN TRADE

Before the present war began, Mexican import and export trade had been seriously disturbed by the Spanish civil war. It was thus less able to meet, and to withstand the shock of, the situation and changes brought about by the present struggle.

The need of some governmental organization for aiding Mexican export trade is now being severely felt. With the complete closing of all the old European markets, Mexican exporters find themselves without any official aid in seeking to replace lost markets by new. The lack of foreign trade treaties is now acutely felt by Mexican exporters in their competition with better organized countries. Mexico has not been forearmed in the export field to meet the present crisis. Both exporters and importers find themselves face to face with problems never anticipated and with little or no means of solving them. The great hope of importers and exporters alike lies in the United States. Trade with that country forms the line of least resistance. Consequently, unless they take steps to seek markets further afield, they will find themselves completely under the influence of United States commerce, subject to all the fluctuating rises and falls of the United States market.

Before the present war Great Britain acquired large stocks of metals from Mexico, principally antimony and mercury. Italy was purchasing lead in increasing quantities. In 1939 Britain bought 2,160 tons of rice, worth more than one million pesos. Denmark and Holland were large purchasers of feeding-stuffs for animals. Importers in Central Europe bought during recent years from seven to eight million pesos worth of Mexican coffee, so that the Mexican markets for coffee have been disorganized. In 1938 Germany, Italy, Czechoslovakia, and Belgium purchased half of the Mexican production of cotton, or to the value of 17,700,000 pesos. Germany and the Low Countries were pur-

chasers of large quantities of hides. Next to the United States, Germany, France and Belgium were the largest purchasers of sisal. Mexico's best markets for ittle were in Europe. In 1939 Holland imported 8,800 tons of chick seed, valued at more than 2,500,000 pesos.

Turning to import trade, the effect of the European hostilities can be readily appreciated when it is realized that the average monthly value of imports from Germany during 1938 was 7,800,000 pesos and that in July and August, 1939, the value of importations from Germany into Mexico had risen to 11,000,000 pesos. In September, the first month of the war, imports from Germany declined to 6,800,000 pesos; while in December of last year they had fallen to 1,000,000 pesos. During the first part of the present year, imports from Germany arrived sporadically. As a rule, they were shipped via Italy before that country entered the war. German goods now come over the Trans-Siberian Railway and the Pacific ocean to Mexican ports on the Pacific. These shipments include tubing, heavy hardware, toys, chemicals and glassware. Some German goods are also sent by parcel post to Switzerland where they are re-packed as Swiss goods with Swiss labels. Dyes are the goods principally shipped in this way. Still other German goods arrive from German branches in the United States, and lastly as Swedish goods.

One branch of commerce which has been thrown sharply out of equilibrium by the war is that of drugs and pharmaceuticals. During the five years from 1930 to 1934 the average annual value of total imports of such goods was 8,084,058 pesos, of which the average annual values of imports from the leading suppliers were: United States, 2,848,121 pesos; Germany, 2,605,803 pesos; France, 1,679,847 pesos. For the next five-year period, 1935 to 1939, total imports had an average annual value of 20,375,714 pesos, and average annual values of imports from leading suppliers were: Germany, 9,077,387 pesos; United States, 4,924,099 pesos; France, 3,903,595 pesos. In both periods Italy and the Netherlands were among the seven leading suppliers, although far behind France in value of supplies.

MANUFACTURING INDUSTRY

The majority of Mexican industries accustomed to consume primary materials of German, Austrian, Czecho-Slovakian, and Hungarian origin have been forced to seek hurriedly other sources of supply. When they have found other sources, they have often been confronted with products of a different quality and at a far higher price. For example, the brewing industry, which used to import large quantities of malt from Germany, has now turned to the United States and Canada, importing in the last year 88 per cent of its malt from the United States and 5 per cent from Canada. In 1938 and 1939 Germany and Czecho-Slovakia supplied the Mexican market with approximately 50 per cent of its hops. At present, Mexico is obtaining from the United States 99 per cent of the hops required to keep the brewing industry going.

SUMMARY

Enough has been said to show that the present condition of Mexican external trade offers some unexpected opportunities for Canadian exporters when present stocks of European goods disappear, as they must as the war continues. In gelatine, hardware, glassware, potato starch, chemicals, carpets, cigarette paper, pulp, codfish and many other lines, Mexican exporters have already begun an uneasy search for other sources of supply. They generally turn to the United States, but there is always a possibility of prices and quality not being satisfactory and that purchasers may be directed to Canada. It is interesting to note that the German importers themselves are preparing for a long war, since they are anxiously seeking for American agencies to replace those goods formerly imported from Germany.

MARKET CONDITIONS FOR POTATO STARCH IN MEXICO

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, November 14, 1940.—Prior to becoming an occupied country during the current hostilities in Europe, Holland exported large quantities of potato starch to the Mexican market, the type supplied being known as "Superior Dutch". Potato starch for this market must be white in colour, with possibly a blue tint; yellow starch is not acceptable.

Since the invasion of the Netherlands, Mexican purchasers have been endeavouring to obtain substitutes for the product formerly supplied by that country. Tapioca starch has been imported, but the results obtained from its use were not satisfactory. At present the Mexican textile industry is buying a corn starch that is sold under the name "Penetrosa" and costs 32 Mexican pesos per 100 kilos (approximately U.S.\$0.03 per pound) f.o.b. point of destination.

Recently some potato starch was imported from the United States but, as the price was found to be prohibitive, no large volume of business can be developed with that country. According to information supplied by two leading Mexican firms, prices vary from U.S.\$140 per 1,000 kilos (approximately 6.3 cents per pound), c.i.f. Vera Cruz to U.S.\$4.70 per 100 pounds, f.a.s. New York. These firms state that sales can readily be made at prices not higher than U.S.\$3.50 per 100 pounds, f.a.s. New York.

The type required is similar to the "Superior Dutch" brand, one importer being desirous of placing an order immediately for one carload.

DEMAND FOR CANADIAN GOODS IN GUATEMALA

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, November 15, 1940.—Two British agents who have been handling British goods in Guatemala City are now interested in obtaining representation for Canadian manufacturers.

The first of these agents is desirous of handling cotton textiles, particularly the cheaper qualities of drills for men's wear, and women's dress goods of all kinds, especially cheap to medium-priced prints, and also woven and printed shirtings for men. This agent also wishes to obtain an agency for a Canadian flour mill interested in exporting to Guatemala. He is interested, further, in agencies for paper, particularly bonds, ledger paper, newsprint, wrapping papers, lithographing and printing paper, and cellulose tissue.

The second agent, who represents some world-famous firms marketing beverages and provisions, requests that he be put in touch with any Canadian manufacturer in a position to compete with United States producers. He states that he has market connections for piece-goods in cottons and artificial silks. There is no market for ready-made apparel. Small hardware is another line in which he is interested. He states that there are sales possibilities for Canadian goods, if prices are competitive with quotations by Californian firms, in such articles as sardines, bacalao, whole and ground spices of all kinds, canned goods in general, breakfast oats, and apples.

A third agent (Belgian) in Guatemala wishes to obtain agencies for glassware; chinaware; bicycles; bicycle tires; woollen skeins for knitting; carpets; textile fabrics for furniture, including velour; and wall paints in powder.

As the requests from these firms cover a variety of articles, it is considered preferable to submit the information for publication as a brief report rather than in the form of trade inquiries. All offers should be forwarded to the Canadian Trade Commissioner in Mexico City.

PAPER INDUSTRY AND TRADE OF JAPAN

C. M. CROFT, COMMERCIAL SECRETARY

Tokyo, October 24, 1940.—The origin of the Japanese paper industry is said to date back to the reign of the Empress Suiko (A.D. 593-628), when a Chinese bonze who visited Japan introduced the art of paper-making about 610 A.D. The manufacture of the well-known high quality Japanese-style paper began in this period. The art of paper-making has made rapid progress since then, with increased production and consumption, and in the Yedo Period (1602-1867) several hundred varieties of Japanese papers were being produced, paper mulberry being supplemented as a basic raw material by "Edgeworthia" and "Wilstroemia," both of which are species of "Thymelaeaceae." No statistical information is available as to the production of Japanese paper prior to 1905; according to the Oji Paper Company, production has increased steadily since then, as shown by the following figures of decennial production: 1905, 80,316,000 pounds; 1915, 126,492,000 pounds; 1925, 204,231,000 pounds; 1935, 278,678,000 pounds.

The first attempt at the manufacture of western or foreign-style paper was made in 1871; one of the commercial delegates in a mission headed by the late Prince Ito, which crossed the Pacific Ocean in 1870, was greatly impressed by the remarkable progress in the United States of industries using mechanical power, and he resolved to start a paper-making industry in Japan, using such power to revolutionize the industry which was operated by human power and equipped with primitive apparatus. An order was placed for a paper-making machine but, apparently due to misunderstanding because of the language difficulty, the machine was not shipped, and thus the project fell through.

In 1872 the first paper-making company was established in Tokyo by Marquis Asano, one of the large feudal lords who was desirous of providing employment for his erstwhile followers. The mill was not actually operated until 1874, but in June of that year the first foreign-style paper to be manufactured in Japan was turned out by English-made paper machines. In the same year (1874) another paper-making company with a capitalization of 150,000 yen was organized by the Mitsui, Ono and Shimada financial interests, which company was the precursor of the present Oji Paper Company, capitalized at 300 million yen and the largest paper manufacturing company in the Japanese Empire.

Since then the foreign-style paper-making industry has expanded considerably, as shown by the following table illustrating the decennial development:—

Year	Companies No.	Mills No.	Machines No.	Screens Inches	Production 1,000 Lbs.
1874..	1	1	1	60	35
1884..	5	5	5	330	5,264
1894..	9	10	13	1,005	36,392
1904..	12	16	35	3,104	126,136
1914..	12	20	62	5,795	327,614
1924..	12	29	106	10,034	817,383
1934..	9	44	167	15,540	1,591,474

NOTE.—The foregoing figures represent only those of members of the Japan Paper Manufacturers Association.

PAPER-MAKING INDUSTRY

According to the latest available statistics compiled by the Department of Commerce and Industry the number of companies engaged in paper-making in Japan in 1938 was 275, with an aggregate authorized capital of 750,190,000 yen as against 281 with a capital of 534,724,000 yen in 1937. This is a decrease of 2.1 per cent in number but an increase of 40.3 per cent in capitalization and indicates that some measure of rationalization has been effected after bitter experiences in the depression years and in order to be prepared for increased control over the industry.

The Commerce and Industry Factory Statistics show the number of paper mills in operation in 1938 as 796 compared with 744 in 1937 and 608 in 1936, increases of 6·8 and 30·7 per cent respectively. The number of operators in the paper mills was 47,106 in 1938 as against 44,713 in 1937 and 39,846 in 1936. Of the paper mills in operation in 1938, 211 employed more than 5 but less than 10 persons, 99 had more than 10 but less than 15 operators, 159 had more than 15 but less than 30, 129 had more than 30 but less than 50, 94 had more than 50 but less than 100, 59 had more than 100 but less than 200, 37 had more than 200 but less than 500, 5 had more than 500 but less than 1,000, while only two mills had more than 1,000 operators.

The aggregate number of working hours in the paper industry in 1938 was 124,676,993 and the total of the wages paid was 17,867,379 yen, which represented an average wage of 0·14 yen per hour as against 132,529,525 hours with total wages of 17,549,364 yen, or 0·13 yen per hour in 1937. The materials and supplies used in 1938 were valued at 263,357,925 yen as against 229,995,323 yen in 1937 and 180,031,995 yen in 1936, increases of 14·5 and 46·3 per cent respectively.

The total value of production in the paper-making industry (including paper products) in 1938 was 419,481,899 yen as compared with 394,633,219 yen in 1937 and 294,183,233 yen in 1936. Thus the 1938 production was 6·3 per cent greater in value than in 1937 and 42·6 per cent above the 1936 figure. Of the total value of production in 1938, 14·6 per cent was by mills with more than 1,000 operatives, 12·5 per cent by those with more than 500 but less than 1,000, 40·3 per cent by those with more than 200 but less than 500, 13·3 per cent by those with more than 100 but less than 200, 9·5 per cent by those with more than 50 but less than 100, 5·7 per cent by those with more than 30 but less than 50, 2·5 per cent by those with more than 15 but less than 30, 0·9 per cent by those with more than 10 but less than 15, and 0·7 per cent by those mills with more than 5 but less than 10 operatives. A survey of the production of paper alone, apart from paper products, shows that the value of production in 1938 was 364,048,380 yen. Following are the values of production for the years from 1929 and 1938: 1929, 190,635,459 yen; 1930, 154,574,144; 1931, 134,095,011; 1932, 132,170,150; 1933, 168,472,849; 1934, 200,923,895; 1935, 224,781,212; 1936, 250,983,323; 1937, 335,646,654; 1938, 364,048,380 yen.

Seventy-five per cent of the paper produced in Japan comes from nine prefectures (there are forty-seven prefectures in Japan), namely Shizuoka, Tokyo, Hokkaido, Osaka, Hyogo, Kumamoto, Kochi, Gifu, and Niigata. Kochi and Gifu are noted for the production of Japanese-style paper, Shizuoka produces both Japanese and foreign styles, while the remaining six specialize in foreign-style paper.

An analysis of the figures of paper production shows that printing paper (inclusive of newsprint) represented approximately one-third of the total, followed by pasteboard, wrapping paper, tobacco paper, and "Hanshi" (a cheaper grade Japanese-style writing paper). There was a reduction in the production in 1938 of all kinds of paper except match paper, tobacco paper, "Hanshi," and "Mino" paper (a high-grade Japanese-style paper). This reduction is believed to be due to the curtailment of the consumption of paper since the outbreak of hostilities in China. In this connection it may be observed that the imports of pulp for paper-making dropped from 177,493 tons in 1937 to 29,935 tons in 1938, although domestic production increased by some 22,192 tons and amounted to 851,876 tons in 1938.

The volume and value of production of various classes of paper in each year from 1936 to 1938 is shown in the following table:—

Japan's Production of Paper by Classes

	1938		1937		1936	
	M. Tons	1,000 Yen	M. Tons	1,000 Yen	M. Tons	1,000 Yen
Printing paper . . .	495,504	121,371	519,898	119,356	434,743	94,796
Writing paper . . .	19,229	9,436	27,788	8,724	19,850	5,770
Drawing paper . . .	2,986	2,070	5,511	2,072	5,103	1,564
Wrapping paper . .	57,578	21,550	70,706	21,234	57,080	14,863
Match paper	5,808	1,976	3,456	1,011	5,170	1,405
Tobacco paper . . .	16,650	13,978	14,281	11,547	14,165	9,660
Art paper	11,696	5,138	14,061	5,381	12,537	4,081
Glazed paper . . .	3,087	2,219	6,578	3,526	7,272	2,487
Imitation Chinese paper	12,926	4,527	12,022	3,250	.....	.....
"Hanshi"	5,000	13,273	2,154	9,798	3,558	6,092
"Mino" paper . . .	758	4,030	323	2,720	358	1,411
"Torinoko" paper and simili paper . . . . .	.....	9,767	.....	9,854	.....	6,952
Transparent paper .	2,216	7,746	2,396	9,645	3,458	6,119
Wallpaper	86	190	181	114	725	341
Leather paper . . .	.....	335	1	160	2	233
Pasteboard	247,558	33,689	337,492	38,504	265,238	27,973
Others . . . . .	.....	112,753	.....	88,750	.....	67,236
Total . . . . .	.....	364,048	.....	335,646	.....	250,983

JAPAN PAPER MANUFACTURERS ASSOCIATION

As the Japan Paper Manufacturers Association, which is one of the oldest and most influential industrial associations in Japan (having been established in December, 1885), through its nine members practically controls the production and sale of paper in Japan, the information which is made available as to production and general activities of its members gives an excellent picture of the paper situation in Japan.

As has been stated above, the association includes the nine largest paper manufacturing companies in Japan, the number of mills under its control being 53. Of these, 28 produce paper exclusively, 24 produce both pulp and paper, and 1 produces pulp only. Of the 53 mills, 33 are controlled by the Oji Paper Company, 6 by the Dai Showa Paper Company, 5 by the Hokuyetsu Paper Company, 2 each by the Mitsubishi Paper Company, Tomoyegawa Paper Works, and Japan Paper Industry Company, and one each by the Japan Paper Company, Nishino Paper Works and Asahi Paper Company.

Three of the four largest manufacturers, namely, Oji Paper Company, Mitsubishi Paper Company, and Hokuyetsu Paper Company, declared dividends in 1939 of 10 per cent per annum, while Dai Showa Paper Company paid a dividend at the rate of 11 per cent per annum for the first half and 11½ per cent per annum for the second half of 1939. Other member companies of the association have shown substantial profits and have divided such profits at rates varying from 8 to 10 per cent per annum.

The total number of paper-making machines in operation by members of the Japan Paper Manufacturers Association at the end of 1939 was 188, with screens totalling 18,009 inches as compared with 182 machines with screens of 17,413 inches at the end of 1938. The consumption of pulp by the member companies in 1939 was 831,647 long tons, including 434,759 tons of chemical pulp and 396,888 tons of mechanical pulp.

The following table shows the number of paper machines operated by members of the association, together with the consumption of pulp, during each of the past five years:—

	Paper-making Machines		Consumption of Pulp		
	No.	Screen in Inches	Chemical Tons	Mechanical Tons	Total Tons
1935	157	15,376	433,800	310,143	743,943
1936	173	16,742	464,972	325,153	790,125
1937	181	17,296	547,800	355,336	903,136
1938	182	17,413	445,376	367,468	812,844
1939	188	18,009	434,759	396,888	831,647

It will be noted that the consumption of chemical pulp has decreased since 1937, or since the outbreak of hostilities in China, which has both caused and resulted from decreased imports of chemical pulp from abroad.

It is of interest to note that prior to 1938 there were only two members of the Japan Paper Manufacturers' Association, namely the Oji Paper Company and Hokuyetsu Paper Company, producing pulp for their own use, and even those two firms purchased considerable quantities. In 1938 the Japan Paper Company and the Showa Paper Company (later the Dai Showa Paper Company by merger with two other firms) began to produce mechanical pulp for their own use, while the number further increased in 1939 when the Asahi Paper Company began the manufacture of pulp.

The number of paper machines maintained in operation by each of the members of the Japan Paper Manufacturers Association at the end of 1939 was 188, distributed as follows:—

Oji Paper Co., 121; Mitsubishi Paper Co., 12; Hokuyetsu Paper Co., 9; Japan Paper Industry Co., 8; Japan Paper Co., 4; Nishino Paper Works Ltd., 4; Dai Showa Paper Co., 22; Asahi Paper Co., 2; Tomoyegawa Paper Works Ltd., 6.

PAPER PRODUCTION BY MEMBERS OF THE ASSOCIATION

The output of paper by member companies of the Japan Paper Manufacturers Association in 1939 amounted to 2,017,670,228 pounds as against 1,948,455,025 pounds in 1938 and 2,129,025,562 pounds in 1937, an increase of 3.5 per cent over 1938 but a slight decline of 5.2 per cent as compared with 1937. Of the total production, the Oji Paper Company manufactured approximately 80 per cent, followed by the Dai Showa Paper Company with about 6.5 per cent, Hokuyetsu Paper Company with approximately 5 per cent, and Mitsubishi Paper Company with 4 per cent. Thus these four firms manufactured about 95.5 per cent of the total production of the Association members.

A survey of the 1939 production of paper of various kinds shows that newsprint accounted for 43.3 per cent of the total, followed by wrapping paper, 12.6 per cent; common printing paper, 8.3 per cent; pasteboard, 6.4 per cent; simili (artificial Japanese vellum) paper, 5.1 per cent; super-calendered printing paper, 3.5 per cent; writing and drawing paper, 2.1 per cent; rolled "Hanshi," 1.9 per cent; art and glazed paper, 1.8 per cent; machine-finished Japanese paper, 1.7 per cent; coloured paper, 0.5 per cent; and other kinds of paper, 12.8 per cent.

The following table shows the production figures of the various classes of paper by the members of the association in each of the three past years:—

	1937	1938	1939
	Figures in 1,000 Lbs.		
Newsprint..	825,189	857,463	873,218
Wrapping paper..	279,233	267,522	254,768
Common printing paper	254,451	171,494	167,983
Pasteboard..	109,551	115,725	129,177
Simili paper..	146,202	88,976	103,134
Super-calendered printing paper.. . . .	166,896	90,989	70,611
Writing and drawing paper.. . . .	88,023	49,340	43,110
Machine-finished Japanese paper	42,397	40,916	34,800
Rolled "Hanshi"	41,436	32,747	37,549
Art and glazed paper.. . . .	44,387	33,643	35,682
Coloured paper	12,416	13,235	10,253
Others..	118,844	186,405	257,385
Total	2,129,025	1,948,455	2,017,670

It may be noted that the production of newsprint, pasteboard and unspecified papers has showed an increase since 1937, while the output of wrapping paper, common printing paper, super-calendered printing paper, writing and drawing paper, machine-finished Japanese paper, and coloured paper have all shown decreases in production during the three-year period 1937 to 1939. Simili paper, rolled "Hanshi," and art and glazed paper

production was higher in 1939 than in 1938 but less than in 1937. The reduced consumption of chemical pulp is reflected in the reduced production of the higher grades of paper.

IMPORTS OF PAPER

Since the outbreak of hostilities in China, which has been followed by control of exports and imports and by a rigid control of foreign exchange, imports of paper have declined sharply, amounting in 1939 to only 1.5 per cent of those in 1936. Total imports were 27,301 cwts. valued at 872,054 yen, a reduction of 81 per cent in quantity and of 66.5 per cent in value as compared with 1938. Decreases are noted in the imports from all countries, those which suffered most being the largest suppliers, including Canada, Sweden, Norway, the United States, Great Britain, and Germany.

The following two tables show imports of paper during each of the past four years by quantity and value respectively:—

Japan's Imports of Paper by Quantity

	1936 Cwts.	1937 Cwts.	1938 Cwts.	1939 Cwts.
Great Britain.. . . .	34,807	46,893	6,169	6,518
Norway	55,960	106,714	22,282	5,799
Canada	1,543,221	786,078	43,141	5,347
Sweden	153,974	196,539	41,151	4,342
Germany	61,156	104,770	24,426	3,673
United States	44,508	13,709	408	1,030
China	5,231	1,214	55	528
Finland	3,833	1,582	48	28
France	6,631	2,597	343	13
Austria	17,444	15,305	113	11
Netherlands	12,560	44,036	4,983	7
Belgium	385	7,862	87	.....
Italy	103	1,603	84	.....
Czecho-Slovakia	10,053	21,946	293	.....
Others	1,043	496	.....	5
Total	1,950,909	1,351,344	143,583	27,301

Japan's Imports of Paper by Value

	1936 Yen	1937 Yen	1938 Yen	1939 Yen
Great Britain.. . . .	959,351	1,343,657	156,036	39,069
Norway	515,012	1,154,425	290,787	97,461
Canada	9,029,407	7,367,279	437,376	76,234
Sweden	1,713,919	2,698,633	441,521	60,213
Germany	1,504,582	3,103,687	827,971	367,951
United States	674,077	488,566	94,235	66,782
China	198,604	57,048	1,627	3,623
Finland	161,919	101,871	13,343	9,120
France	457,302	513,635	185,827	104,112
Austria	318,785	339,919	7,183	966
Netherlands	232,295	586,628	90,461	656
Belgium	35,942	139,781	30,543	18,790
Italy	7,522	37,094	22,999	16
Czecho-Slovakia	199,600	484,890	6,722	.....
Others	44,573	28,866	235	27,061
Total	16,052,890	18,445,979	2,606,866	872,054

The sharp drop in imports from Canada is accounted for by the virtual cessation of imports of newsprint, which in 1939 amounted to only 311 cwts. valued at 3,593 yen. Similarly the drop in overseas purchases of wrapping paper has affected Canada materially. Domestic consumption of both newsprint and wrapping paper has been curtailed since 1937.

The following table showing imports of various classes of paper during the years 1936 to 1939 illustrates the sharp decrease in imports:—

Japan's Imports of Paper by Types

	1936 Cwts.	1937 Cwts.	1938 Cwts.	1939 Cwts.
Newsprint	1,616,939	908,545	72,104	311
Common printing paper	24,251	25,778	1,256	1
Art paper	523	378	19	39
Coloured paper	12,896	13,375	309	.....
Writing paper	15,359	17,771	702	18
Drawing paper	2,164	3,098	127	.....
Wrapping paper and match paper . . .	129,913	193,712	38,508	6,518
Tobacco paper	99	158	4	.....
Pasteboard	24,439	10,527	3,827	2,156
Imitation Japanese paper and tissue paper	25,089	17,572	4,455	1,140
Vegetable parchment	92,224	152,821	19,645	9,296
Blotting paper	1,329	1,650	.....	.....
Filter paper	21	18	7	8
Wall paper	559	541	28	.....
Chinese paper	3,274	1,076	55	519
Oiled paper	37	102	12	.....
Others	1,793	4,222	2,525	7,295
Total	1,950,909	1,351,344	143,583	27,301

Canada has been by far the largest supplier of newsprint to Japan, with approximately 90 per cent of the trade in normal years, followed by Sweden, Norway, the United States, and Germany. Common printing paper has come principally from Great Britain, France, and Sweden; art paper from Great Britain, the United States and Germany; coloured paper chiefly from Great Britain, Finland, Germany (including Austria), Norway, and Sweden; writing paper from Great Britain, the United States, Sweden, and Norway; drawing paper from Great Britain, Belgium, France, Germany and the Netherlands; wrapping paper and match paper from Sweden, Canada, and Germany; tobacco paper from France and Italy; pasteboard from the United States, Germany, and Sweden; imitation Japanese paper and tissue paper from Sweden, Norway, and Germany; vegetable parchment from Germany, Sweden, Norway, Netherlands, and Czecho-Slovakia; blotting paper from the United States and Great Britain; filter paper from Great Britain and Germany; wallpaper from Canada, the United States, Great Britain, Germany, France, and Switzerland; oiled paper from Germany, the United States, and Great Britain; while Great Britain, Germany, and the United States supplied most of the unclassified papers.

EXPORTS OF PAPER

In contrast with the reduction in imports of paper, the exports have been increasing steadily, those for 1939 amounting to 4,228,158 cwts. valued at 77,946,082 yen as compared with 3,311,801 cwts. valued at 52,126,638 yen in 1938. The 1939 exports exceeded those in 1938 by 27·7 per cent in volume and 49·5 per cent in value. As compared with the 1937 exports, shipments last year were 55·9 per cent greater in volume and 101·4 per cent higher in value. Of the total quantity exported in 1939, 87·8 per cent in volume and 89·6 per cent in value went to the three "yen-bloc" countries of China, Kwantung Leased Territory, and Manchukuo; in fact the expansion in the total trade is due very largely to increased shipments to those countries.

The following table shows the value of the exports of paper during each of the past four years:—

Japan's Exports of Paper by Countries

	1936 Cwts.	1937 Cwts.	1938 Cwts.	1939 Cwts.
Yen-bloc countries—				
Manchukuo	192,391	350,613	494,757	772,973
Kwantung Province	913,125	1,128,944	1,339,775	1,415,104
China	545,772	402,679	973,261	1,525,049
Total	1,651,288	1,882,236	2,807,793	3,713,126
Per cent of total exports . . .	73·4	69·4	84·8	87·8

Japan's Exports of Paper by Countries—Concluded

Other countries—	1936 Cwts.	1937 Cwts.	1938 Cwts.	1939 Cwts.
Hongkong.	135,955	160,747	64,731	51,092
British India	192,007	264,593	236,488	205,866
Straits Settlements	31,775	41,631	7,196	9,348
Netherlands India	61,628	111,083	40,552	73,771
Asiatic Russia	2,492	2,565	.....	.....
Philippine Islands	30,084	33,104	26,159	14,241
Thailand (Siam)	56,696	78,532	41,412	54,153
Great Britain	5,277	5,469	3,756	2,872
Germany	3,568	3,539	3,993	2,323
United States	20,465	22,312	11,224	12,105
Australia	36,099	76,344	41,116	54,801
Others.	23,470	28,829	27,381	34,460
Total, all countries	2,250,804	2,710,984	3,311,801	4,228,158

Statistics covering exports by classes of paper show that shipments of foreign-style paper in 1939 exceeded those in 1938 by 58 per cent in volume and by 61·4 per cent in value, while a comparison with 1937 shows increases of 70·2 per cent in quantity and 100·9 per cent in value. Exports of Japanese-style papers also increased, the 1939 shipments exceeding those in 1938 by 35·2 per cent in volume and 68·8 per cent in value and those in 1937 by 74·6 per cent in quantity and 140·2 per cent in value. Details of the quantities of the various classes of paper exported during each of the past four years follow:—

Japan's Exports of Paper by Classes

	1936 Cwts.	1937 Cwts.	1938 Cwts.	1939 Cwts.
Foreign-style paper—				
Art paper.	812,183	78,812	63,665	81,615
Newsprint		218,539	259,569	409,814
Other printing paper		525,375	581,637	1,021,874
Drawing paper* . . . . .	.....	9,744	8,301	19,567
Writing paper* . . . . .	.....	8,980	18,681	45,668
Filter paper* . . . . .	.....	951	1,779	1,850
Tobacco paper	110,271	96,009	138,935	112,415
Imitation Chinese paper	13,697	3,892	6,059	3,260
Wrapping paper.	95,736	110,833	168,992	314,079
Simili paper	233,709	303,392	213,393	299,183
Total	1,265,596	1,356,527	1,461,011	2,309,325
Japanese native paper—				
"Ganpi" paper and "Usuyo" paper..	16,120	21,324	21,124	42,319
"Yoshino" paper and "Tengujo". . .	4,059	6,005	3,931	4,713
"Torinoko" paper	244	615	589	2,512
"Hanshi" and "Mino" paper.	24,920	40,305	48,267	57,364
Toilet paper	115,101	99,173	111,263	184,460
Wall paper	11,083	14,069	9,689	17,525
Joss paper* . . . . .	.....	276,687	396,599	491,017
Total	171,527	458,178	591,462	799,910
Pasteboard	463,331	667,995	963,479	964,333
Other kinds of paper	350,350	228,284	295,849	154,590
Grand total.	2,250,804	2,710,984	3,311,801	4,228,158

* Included with "other kinds of paper" in 1936.

"Ganpi" and "Usuyo" papers are high grade tissues suitable for stencils, copying paper, etc. "Yoshino" and "Tengujo" papers are used largely for wrapping jewellery and other valuable merchandise. "Torinoko" paper is high grade, hand made, used for official documents, etc. "Hanshi" and "Mino" papers are used chiefly for writing and to cover Japanese-style sliding doors.

A review of the exports of paper by classes and by countries of destination on the basis of quantities shipped shows that art paper went largely to Australia, China, Netherlands India, Kwantung Province and British India; newsprint went to Kwantung Province, China, Thailand (Siam), Manchukuo and the Philippine Islands; other printing paper to China, Kwantung Province, Manchukuo, Thailand, British India, Australia, Hongkong and Netherlands India; tobacco paper to China, Kwantung Province, Netherlands India, Man-

chukuo, and Hongkong; "Ganpi" and "Usuyo" paper (high-grade strong tissue suitable for stencils) went to Kwantung Province, China, the United States, Manchukuo, Great Britain, Germany, and France; pasteboard to China, Manchukuo, British India, Kwantung Province, Hongkong, Netherlands India, Burma, Thailand, and the Philippine Islands; "Hanshi" and "Mino" paper to Kwantung Province, Manchukuo, China, and Hongkong; wrapping paper to China, Kwantung Province, Manchukuo and British India; toilet paper to Kwantung Province, Manchukuo, and China; and simili paper went to Kwantung Province, Manchukuo, Netherlands India, Thailand, Australia, New Zealand and the Straits Settlements.

PRICE CONTROL AND OTHER RESTRICTIONS

In order to maintain prices for paper during the depression, the Japan Paper Manufacturers Association curtailed production by its member companies of printing and simili paper to the extent of from 10 to 55 per cent for more than ten years, and it was not until October, 1939, that curtailment was abolished. According to the *Diamond*, one of the most reliable economic and financial journals in Japan, the average prices of printing paper, simili paper and newsprint between 1932 and 1937 were as follows:—

	Printing Paper Yen per Lb.	Simili Paper Yen per Lb.	Newsprint Yen per Ream (36½ Lbs.)
1932	0.135	0.130	2.75
1933	0.171	0.168	3.49
1934	0.168	0.165	3.45
1935	0.167	0.161	3.45
1936	0.166	0.156	3.49
1937	0.201	0.186	5.46

In August, 1938, the Government fixed maximum selling prices of various kinds of paper in order to check the upward trend of paper prices. These maximum prices for the above-mentioned three classes of paper are as follows:—

	Max. Wholesale Prices	Max. Retail Prices
Common printing paper.	Yen 0.238 per lb.	Yen 0.257 per lb.
Simili paper	Yen 0.233 per lb.	Yen 0.252 per lb.
Newsprint	Yen 5.35 per ream	Yen 5.70 per ream

Despite the increase in the cost of raw materials for the paper industry since 1938, the maximum prices fixed have been maintained without alteration. It is possible that the 1940 production for domestic consumption will be reduced, as it is believed that there is a very narrow margin between the increased cost of production and the official selling price.

About the middle of 1938 the Government requested a voluntary curtailment of consumption of paper, particularly newsprint, other printing paper and simili paper (which represent 60 per cent of the total production in Japan). Newspaper companies and book and periodical publishers were asked to reduce their consumption of newsprint by 12 per cent, publishers of periodicals were to curtail their paper consumption by 20 per cent, while other companies who used these papers were to reduce their requirements by 30 per cent, such curtailment to be effective as from July 1, 1938. It was later considered necessary to curtail still further the consumption of newsprint, and an ordinance was promulgated covering the ratio of reduction which would apply during the year ended June 30, 1940. Even more severe restrictions have been enforced for the latter half of 1940. The following table shows the percentage curtailment of consumption of newsprint now in force, the percentages shown for classes of printers and publishers being the amount by which consumption must be reduced below that for the year which ended on June 30, 1938.

Percentage Curtailment of Consumption of Newsprint

Reduction by:	July 1-June 30 1939-40	July 1-Dec. 31 1940
	Per Cent	per Annum
Those using not more than 6,000 reams . . . . .	..	10
Those using more than 6,000 reams but not more than 12,000 reams.	3	12
Those using more than 12,000 reams but not more than 120,000 reams.	12½	20
Those using more than 120,000 reams but not more than 1,000,000 reams	13	21
Those using more than 1,000,000 reams but not more than 2,000,000 reams	14	24
Those using more than 2,000,000 reams	15	25

As the consumption of common printing paper, simili paper and art paper for periodicals and similar publications is relatively small, estimated at 65,000 tons per annum, no official regulations have been issued, but it is understood that, when the ordinance was promulgated covering newsprint, the various publishers of such periodicals were given instructions to curtail consumption. As such instructions were not gazetted, no official information is available, but an article which appeared in a commercial magazine credited an official of the Ministry of Commerce and Industry with the statement that the reduction prior to June 30, 1940, by publishers of periodicals and books is as follows:—

Percentage Curtailment of Common Printing Paper, Simili Paper and Art Paper

Reduction by:	Per Cent
Those consuming more than 120,000 lbs. but less than 1,200,000 lbs.	21
Those consuming more than 1,200,000 lbs. but less than 6,000,000 lbs.	22
Those consuming more than 6,000,000 lbs. but less than 12,000,000 lbs.	23
Those consuming more than 12,000,000 lbs. but less than 60,000,000 lbs.	24
Those consuming more than 60,000,000 lbs.	25

It is probable that the publishers of periodicals and books will have been requested to reduce their consumption in common with the further curtailment of newsprint. It is reported that the Government favours a reduction in the number of publications in order to effect further savings in the consumption of papers.

JAPAN'S PAPER TRADE WITH CANADA

As has been indicated above, Canada had a substantial trade in paper with Japan for many years, but since the outbreak of hostilities in China, with the resultant control of trade and foreign exchange, this trade has been reduced to negligible proportions. The following table shows the paper trade between the two countries during each of the past five years:—

Japan's Imports from and Exports to Canada of Paper

	Imports Yen	Exports Yen
1935	7,262,799	11,260
1936	9,029,407	10,292
1937	7,367,279	26,222
1938	437,376	19,821
1939	76,234	*

* Figures for 1939 are not yet available.

Canada was the largest supplier of paper to Japan for a number of years; in 1935 the Dominion supplied 75·2 per cent of the total quantity imported, in 1936 her share was 79·1 per cent, and in 1937 it was 58·2 per cent. Since then, however, Canada's share of the trade has declined; and in 1938 she was credited with 30 per cent of the total Japanese imports, and in 1939 with 19·6 per cent. The sharply reduced imports of newsprint were responsible for the loss of Canada's position as a major supplier to Japan.

The following table shows the drastic reduction in the imports of newsprint into Japan and also the prominent place Canada occupied in that trade in the past:—

Japan's Imports of Newsprint

		Total Imports	Imports from Canada	Per Cent of Total
1935	Cwt.	1,313,948	1,215,418	92.5
	Yen	7,446,811	6,785,926	91.1
1936	Cwt.	1,616,939	1,485,139	91.8
	Yen	9,287,220	8,441,806	90.9
1937	Cwt.	908,545	731,053	80.4
	Yen	8,314,582	6,658,308	80.1
1938	Cwt.	72,104	37,959	52.6
	Yen	681,149	359,904	52.8
1939	Cwt.	311	.....	....
	Yen	3,593	.....	....

The only other paper item which Canada has furnished in any appreciable quantities is wrapping or packing paper, the trade for each of the past five years being as follows:—

Japan's Imports of Wrapping Paper

		Total Imports	Imports from Canada	Per Cent of Total
1935	Cwt.	142,943	40,799	28.5
	Yen	1,665,075	440,929	26.5
1936	Cwt.	129,913	55,913	43.0
	Yen	1,473,887	557,064	37.8
1937	Cwt.	193,712	53,748	27.7
	Yen	2,609,417	676,092	25.9
1938	Cwt.	38,508	5,181	13.4
	Yen	382,502	77,414	20.2
1939	Cwt.	6,518	5,347	82.0
	Yen	92,668	76,234	82.2

Canada has in past years supplied to Japan small quantities of imitation Japanese paper and tissue paper, writing paper, wallpaper, printing paper, coloured paper, pasteboard, and blotting paper, but since 1937 the only recorded trade was one hundredweight of wallpaper valued at 58 yen in 1938. Canada's total trade in these classes of paper in 1937 amounted to only 1,277 cwts. valued at 32,879 yen.

Japan's exports of paper to Canada are limited and consist for the most part of "Ganpi" and "Usuyo" papers, toilet paper and wallpaper, the total exports in 1938 (the last year for which figures are available) being 190 cwts. valued at 19,821 yen.

TRADE PROSPECTS

The prospects for any immediate expansion in Japanese imports of paper, particularly newsprint, are not favourable. Japan has made every effort to attain self-sufficiency in paper production and a considerable degree of success has been achieved. The curtailed consumption of various kinds of paper has enabled Japan to get along with practically no imports of printing paper. Trade control and exchange control measures are being rigidly enforced, and there is little prospect of any relaxation in the near future.

TRADE AND ECONOMIC CONDITIONS IN THAILAND, JANUARY-JUNE, 1940

C. H. KHOO, OFFICE OF THE TRADE COMMISSIONER

(One tical equals approximately 41 cents Canadian at current exchange; one picul equals 133½ pounds)

Singapore, October 5, 1940.—Thai official statistics for the first six months of 1940 show a general improvement in the Kingdom's trading position. A good rice crop and higher prices for this major export commodity permitted the country to show a favourable balance despite the Government's heavy gold imports. Although slightly lower in quantity than for the first six months of 1939, rice exports were up in value by 7,721,140 ticals. This increased the purchasing power of the masses, whose livelihood is directly dependent on this crop.

Government enterprise is forging ahead. The state-sponsored cigarette factory is already in production, and plans are afoot for the establishment of a plant to manufacture rubber footwear, bicycle tires and other rubber products.

The European situation has brought about a scarcity of shipping space, which threatened to retard the industrial progress of the country, relying as it does on imports of heavy machinery for such projects. To offset this handicap and also to provide a "pipe-line" for the country's heavy imports of fuel oil, the Thai Maritime Navigation Co. Ltd. was founded towards the end of June to acquire a merchant fleet. Already the coastal services have been taken over, and three ocean-going vessels have been purchased. Two smaller vessels will be put on the Bangkok-Shanghai, Bangkok-Hongkong and Bangkok-Singapore routes in the near future.

Many miles of new roads were opened to traffic and a further five-year plan for road construction is under review.

FOREIGN TRADE

There was a favourable trade balance of 32,777,985 ticals as compared with 28,799,770 ticals for the corresponding period of last year.

Total trade, recorded as 203,121,407 ticals (Canadian \$83,279,777), represents an increase of 45.9 per cent over the figure for the first six months of 1939. Import values were up by 42.6 per cent, the totals being 85,171,711 ticals and 68,993,210 ticals respectively; exports rose to 117,949,696 ticals from 97,792,980 ticals, an improvement of 48.5 per cent. These values do not include movements of specie.

EXPORTS

The area under rice crop during the 1939-40 export season was 8,459,711 acres; 7,680,650 acres were harvested, the remainder of the crop being damaged by heavy floods and insect pests. A yield of 76,007,721 piculs was recorded as compared with last year's return of 72,613,309 piculs. During the first six months of 1940 a total of 15,021,435 piculs valued at 62,273,003 ticals was exported as against 16,138,861 piculs valued at 54,551,863 ticals during the corresponding period last year.

White rice opened the market in January at 4.20 ticals per picul, ex duty and gunnies, and closed at 4.40 ticals in June. The highest figure touched was in mid-January, when it stood at 5.20 ticals, and the lowest 3.65 ticals in mid-March. There were heavy inquiries from Singapore and Hongkong, which, coupled with the brisk demand from other Far Eastern buyers, strengthened the market considerably towards the close of June.

Teak to the value of 3,428,322 ticals was shipped to consumer markets during this six-month period, while exports of tin ore and rubber totalled 22,853,017 ticals and 17,992,213 ticals respectively.

IMPORTS

Statistics now available show imports by commodity through the Port of Bangkok only. Approximately 90 per cent of the Kingdom's requirements pass through this port. Countries of origin are not shown but, since a substantial portion of the country's purchases are from the transshipment ports of Singapore, Penang and Hongkong, the true origin of such imports cannot accurately be determined in any case. Japan, however, figures largely as Thailand's direct as well as indirect supplier.

Of interest to Canadian exporters is the following selected list of commodities imported into Thailand during the first six months of this year, with values in ticals, figures for the corresponding period of 1939 being shown within parentheses for purposes of comparison: Biscuits, 75,853 (51,325); canned

sardines, 8,671 (34,991); canned salmon, 1,571 (1,012); other sorts of canned fish, 8,844 (13,054); wheat flour, 474,131 (478,879); sweetened condensed milk, 1,718,733 (1,397,845); unsweetened evaporated milk, 191,174 (300,048); sterilized natural milk, 6,944 (22,924); milk powder, 23,769 (72,181); proprietary milk foods, 158,229 (124,627); motor cars, 1,089,796 (1,428,116); motor car tires, 648,278 (527,411); inner tubes, 57,272 (60,628); electrical goods and apparatus, 1,304,043 (1,489,947); hosiery of all sorts, 57,963 (32,145); machinery belting, 70,425 (104,811); unprinted paper, 1,031,550 (907,730).

IMPORTS FROM CANADA

Canada's direct sales to this country during the first five months of this year, as shown by Dominion Bureau of Statistics returns, have improved by nearly 400 per cent as compared with shipments during the first five months of 1939, the respective values being Canadian \$80,242 and \$16,356. Shipments during the present year comprise the following: vegetables, \$85; canned peas, \$54; other vegetable food products, \$93; canned salmon, \$82; alimentary pastes, \$7; rubber hose, \$94; rubber belting, \$573; tires, \$151; tubes, \$17; other rubber manufactures, \$4,924; milk powder, \$2,851; newsprint, \$2,495; bags, boxes and cartons of paper, \$11,660; aluminium manufactures, \$40,112; storage batteries, \$1,111; medicinal and proprietary preparations, \$2,100; drugs and chemicals, \$3; oilcloth, \$535; clay manufactures, \$7,684; electrical apparatus, \$1,240; vinegar, \$31; acids, \$2,424; brewer's malt, \$535; artificial silk manufactures, \$28; cotton manufactures, \$430; lamps and lanterns, \$18; other miscellaneous articles, \$22.

FINANCES

Customs figures for the year ended March 31, 1940, just released, show a revenue of 46,020,299 ticals, a new record in the annals of the Department. This was higher than that for the previous year by 4.65 million ticals.

A draft bill will be presented to the Assembly shortly, providing for an extra budgetary amount of 22,167,938 ticals to take care of certain emergency items arising out of the changing world situation. This amount is to be met out of the treasury reserve. Estimates for the year ending March 31, 1941, which provide 124,058,643 ticals for ordinary expenditure and 22,889,364 ticals for capital expenditure, are proving insufficient. Major allotments from this supplementary budget are 17,226,733 ticals earmarked for the Ministry of Defence, 1,600,000 ticals for improvements to Bangkok port and 1,200,000 ticals for pensions and gratuities, the last-mentioned necessitated by legislation allowing pensioners to receive gratuities in a lump sum instead of in monthly payments.

Currency in circulation at the end of June totalled 203,975,722 ticals, which exceeded the June, 1939, figure by 52,843,224 ticals. Currency reserve was 204,599,922 ticals, made up as follows: gold bullion, 97,279,000 ticals; sterling securities, 40,898,171 ticals; cash at call in sterling, 61,064,811 ticals; local coins, 1,169,825 ticals; government guarantee, 4,188,115 ticals.

Treasury reserve on June 30, 1940, totalled 89,774,330 ticals, which was 7,997,462 ticals less than at the end of June, 1939. This consisted of a balance of 28,075,918 ticals; local bank deposits, 13,763,200 ticals; deposits abroad, 38,914,550 ticals; and securities, 9,020,662 ticals.

Collections were normal, but commercial credits were restricted, due to the war situation and general uncertainties, and applications for new credits were carefully scrutinized.

Towards the end of June the Thai National Banking Bureau was established, with headquarters in the Grand Palace. This Bureau, which is under the control of the Ministry of Finance, is the nucleus of the future Central Bank of Thailand. Its primary function is the flotation of internal loans, while it is also empowered to carry on banking business in general, issue bonds and otherwise act as a state bank.

TRADING WITH FRANCE AND CERTAIN FRENCH TERRITORIES PROHIBITED

By Order in Council, the provisions of the Consolidated Regulations Respecting Trading with the Enemy (1939) have been extended to and are deemed to apply, from and including June 21, 1940, to all French territory in Europe, the contiguous territories of Andorra and Monaco, and to the French Zone of Morocco, Corsica, Algeria and Tunisia as proscribed territory.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to November 2, 1940:—

	Total Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to Nov. 2, 1940 Quantity	Per Cent
Cattle (700 lbs. or more) . . . Head	225,000	3 to 1½c. per lb.	102,911	45.7
Cattle (less than 200 lbs.) . . Head	100,000	2½ to 1½c. per lb.	99,902	99.9
Whole milk Gals.	3,000,000	6½ to 3¼c. per gal.	6,378	....
Cream Gals.	1,500,000	56¼ to 28¼c. per gal.	920	....
Filleted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish Lbs.	15,000,000	2½ to 1½c. per lb.	8,661,641	57.7
Seed potatoes Bus.	1,500,000 beginning Sept. 15, 1940	75 to 37½c. per 100 lbs.	37,241	2.4
White or Irish potatoes, other than seed potatoes Bus.	1,000,000 beginning Sept. 15, 1940	75 to 60c. per 100 lbs. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30	2,463	0.2
Silver or black fox furs . . . Units	100,000 beginning Dec. 1, 1939	50 to 35 per cent ad val.	58,300	Quota filled Mar. 5, 1940
Red cedar shingles Squares	2,371,544	Free	2,371,544	Quota filled

During the fourth quarter of 1940, Canada shipped 15,526 head of cattle weighing 700 pounds or more, other than dairy cows, to the United States, or 30.1 per cent of the quarterly allotment of 51,720 head. The quota allotment of 6,210 head from countries other than Canada for the fourth quarter of this year has been filled and receipts over and above this amount have been subject to the full tariff rate.

TARIFF CHANGES AND TRADE REGULATIONS

Australia

CHANGES IN CUSTOMS (IMPORT LICENSING) RESTRICTIONS

Sodium Sulphide.—The permission to group the value of imports of sodium sulphide from the United Kingdom during the base year with the value of such imports from non-sterling countries, for the purpose of establishing non-sterling quotas for the current year, has been cancelled.

Fuel Tank Caps Incorporating a Locking Device.—It is announced that further licences will not be issued for the admission from non-sterling countries of fuel tank caps incorporating a locking device, when imported separately. (These are classified under tariff item 208A2.)

DEFERRED DUTIES

Deferred duties under item 136F2 of the Australian customs tariff, covering "iron and steel hoop, not elsewhere included in the tariff," except "bright cold rolled hoop from $\frac{3}{8}$ inch to 6 inches in width, both sizes inclusive, and from 0.0148 inch to 0.08 inch in thickness, both sizes inclusive," that were to have gone into effect on October 1, 1940, have been further postponed until April 1, 1941. At present this commodity is free of duty under the British preferential tariff and dutiable at 15 per cent ad valorem under the general tariff. Deferred rates are 10 per cent ad valorem under the British preferential tariff and $22\frac{1}{2}$ per cent ad valorem plus 70s. per ton (2,240 pounds) under the general tariff, both rates to increase as present Australian exchange depreciation may be lessened.

The British preferential tariff is applicable to goods under tariff item 136F2 imported from Canada and the general tariff to all such goods from non-British countries.

British North Borneo

TARIFF ON MOTOR CYCLES

A British North Borneo Ordinance of September 5, 1940, modifies the general tariff of 30 per cent ad valorem and the British preferential tariff of 10 per cent ad valorem, applicable to motor cycles, so that the minimum duty shall not be less than 45 Straits dollars under the general tariff or 15 Straits dollars under the preferential tariff. The Straits dollar equals $52\frac{1}{2}$ cents Canadian at current exchange rates.

Cuba

APPLICATION OF MINIMUM TARIFF

Mr. Maurice Bélanger, Acting Trade Commissioner at Havana, writes under date November 8 that, as previously reported on various occasions, the tariff treatment accorded by Cuba to Canadian products depends on the balance of trade between the two countries, the minimum (general) tariff being granted only to countries which purchase from Cuba at least fifty per cent of their sales to Cuba. The position of each foreign country is rectified or confirmed in April of each year on the basis of official Cuban statistics for the preceding calendar year.

Canada is entitled to the Cuban minimum tariff until April, 1941, and it will not be definitely known until statistics are released for the whole of 1940 if this privilege is to be continued for another year after that date. Statistics recently issued, however, covering the first nine months of the present year, give reasonable assurance that Canada will continue to enjoy minimum tariff treatment until April, 1942, at least. These statistics show the total value of Cuban exports to Canada from January to September at \$899,644 and that of imports of Canadian goods at \$412,993, making a visible balance of trade amounting to \$486,651 in Cuba's favour.

El Salvador

CERTIFICATES OF ORIGIN

A Salvadorean law of August 28, 1940, consolidates regulations in force in El Salvador regarding proof of origin of imported merchandise.

In order to secure the benefit of rates of duty established by trade agreements or conventions between El Salvador and other countries, an attestation of origin is required regardless of the value of the goods. For products on which the minimum tariff is claimed, an attestation of origin is required on imports by land or sea with a value of more than \$50, or imports by air with a value of

more than \$100. The attestation of origin may consist of: (a) a certificate of origin, properly so-called, issued by a Chamber of Commerce or by official institutions, or commercial or industrial associations duly recognized as such; (b) a certificate of proof of origin issued by the customs authorities or the customs warehouse from which the merchandise proceeds; (c) a declaration of the shipper, certified by a civil authority or by a notary public of the place of origin.

No special form is prescribed for the certificate of origin, but it must bear all specifications necessary to identify the merchandise which it accompanies. It must preferably be written in Spanish, but any other language is acceptable, provided its significance is understood by the customs authorities. The certificate must be submitted in duplicate to the Salvadorean consul in the country of issue for visa. The fee for the visa of the certificate is \$2 United States currency. Merchandise on which a reduced duty applies under trade agreements or conventions between El Salvador and other countries is exempt from the consular fee.

Under an exchange of notes of November 2, 1937, Canada and El Salvador exchange most-favoured-nation treatment in tariff matters. Imports from Canada into El Salvador are thus entitled to the minimum tariff (one-third the maximum) and to any rates below the minimum tariff established by agreements between El Salvador and other countries.

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Chile

W. G. STARK, ASSISTANT TRADE COMMISSIONER

Lima, Peru, November 12, 1940.—A strict control of both imports and exchange is in operation in Chile. The loss of European markets has drastically reduced export outlets for Chilean merchandise, and consequently has adversely affected her exchange position. Due to these exchange difficulties shippers of goods to the Republic must, therefore, anticipate some delay in payments of amounts owing them.

Reports from unofficial but reliable sources indicate that the negotiations between Chile and Great Britain are proceeding towards the conclusion of a commercial compensation treaty by which a credit account would be opened in Chilean pesos in the Banco Central de Chile for payment for Chilean exports to the United Kingdom. Similarly another credit account would be opened in sterling in the Bank of England for payment for British exports to Chile, and thus the new agreement would follow along the lines established in British treaties with other countries of financing commercial operations through clearing accounts at the official rate of exchange for the pound sterling. The United Kingdom is now purchasing Chilean beans and lentils in addition to the pre-war trade in wool and frozen meat only. Imports into Chile from Great Britain since the beginning of hostilities have consisted principally of textiles and machinery.

DOLLAR EXCHANGE

As regards United States dollars, the situation has been somewhat easier in so far as "D.P." (gold, free and "mining") exchange is concerned. Only certain types of imports, mostly necessities, however, can be paid for in this exchange. Ordinary dollar export draft exchange is difficult to obtain, and there are large amounts of uncovered exchange applications. The Chilean Exchange Control Commission has authorized certain ore exporters and also the Caja de Credito Minero to sell their exchange at the "D.P." rate of about 31 pesos to the dollar, thus adding approximately \$8,000,000 annually for the

payment of necessary imports, which cover was formerly obtained by importers at the export draft rate of 25 pesos to the United States dollar.

Payment for Canadian merchandise is effected in United States dollar exchange and quotations by Dominion shippers to Chilean traders should preferably be in that currency. Canadian exporters to Chile should endeavour to obtain letter-of-credit terms unless their customers are very well known to them or are large firms that carry on export business, enabling them to secure exchange abroad. Care should also be taken to ensure that the Chilean importer is in possession of the necessary import permit before goods are shipped. Under no circumstances should more favourable terms than cash against documents be extended, and caution should particularly be exercised when large amounts are involved.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING NOV. 25, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, November 25, 1940, and for the week ending Monday, November 18, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Nov. 18	Nominal Quotations in Montreal Week ending Nov. 25	Official Bank Rate
Finland	Markka	.0252	\$.0216	\$.0216	4
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Hungary	Pengo	.1749			
	Official		.3227	.3227	4
	Free		.2149	.2149	—
Yugoslavia	Dinar	.0176	.0249	.0249	5
Portugal	Escudo	.0442	.0443	.0443	4-4½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2643	.2644	3½
Switzerland	Franc	.1930	.2575	.2573	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2264	.2264	3
Jamaica	Pound	4.8666	4.4800	4.4800	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2609	.2608	—
Brazil	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0557	.0557	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6327	.6327	4
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4420	.4382	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.6000	4.6000	—
China (Shanghai)	Dollar	.....	.0645	.0647	—
Hongkong	Dollar	.....	.2605	.2625	—
India	Rupee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2602	.2602	3.29
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5760	3.5760	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.,
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Unglazed Grease-proof Paper...	683	Melbourne, Australia.....	Agency.
Hard-beaten Sulphite Paper.....	684	Melbourne, Australia.....	Agency.
Floor Polishing Machines (Electric).....	685	Mexico City, Mexico.....	Agency.
Vacuum Cleaners (Electric).....	686	Mexico City, Mexico.....	Agency.
Zinc Plates.....	687	Bristol, England.....	Indent.

COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Abrasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: G. R. HEASMAN, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL

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No. 1923



Canadian Spruce Lumber being unloaded from Barges at
Brooklyn, N.Y.

ISSUED BY AUTHORITY OF

THE HON. JAMES A. MACKINNON, MINISTER OF TRADE AND COMMERCE

L. D. WILGESS, DEPUTY MINISTER



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No. 1923

PROPOSED PRODUCTION OF POTASH IN AUSTRALIA

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, October 24, 1940.—It is reported that, to replace essential supplies of potash formerly obtained from Germany and Palestine, the Western Australian Government, in co-operation with the Commonwealth Department of Supply and Development, the Commonwealth Council for Scientific and Industrial Research and commercial interests, are making preparations with a view to producing potash from alumite deposits in the bed of Lake Campion, Western Australia, 250 miles from Perth. Many agricultural industries in Australia, especially sugar growing, depend on a continuous supply of potash for fertilizers.

It is estimated that 2,000,000 tons of alumite are available at Lake Campion in deposits that could be removed readily by dredging. From this quantity it is estimated that 250,000 tons of potassium sulphate could be produced, enough to meet Australian requirements for 25 years at the present rate of consumption. It is proposed to produce 200 tons a week, which would meet the Commonwealth demand. Australia normally imports about 12,000 tons of potash salts annually, and it is estimated that two-thirds of the total is used for agricultural fertilizers in the form of potassium sulphate and potassium chloride. Potassium sulphate is the basis of potassium chlorate, used in making matches and explosives and in pharmacy. So far no plant for the manufacture of the chlorate exists in Australia. Before the war Australia obtained potassium chlorate principally from Germany, Sweden and Switzerland.

It is reported that Australian firms handling potash, fearing a shortage such as occurred in the last war, have built up stocks that are expected to last for twelve months. By the end of that period it is hoped that the Western Australian plant will be producing commercially.

OTHER FORMS OF POTASH

The production of other forms of potash from wool is being investigated. The sweat in wool is composed largely of potassium soaps, which can be obtained by steeping the wool before scouring.

It is estimated that sufficient potassium carbonate and potassium hydroxide for Commonwealth requirements can be produced from this source. In these forms potash is used in the making of soft soaps and in the preservation of dried fruits, where it is of great importance. In the year ended June 30, 1939, Australia imported from Germany 10,709 cwts. of potassium carbonate and pearl ash and 7,991 cwts. of potassium hydroxide.

TRADE OF BRITISH GUIANA IN 1939

G. A. NEWMAN, ACTING TRADE COMMISSIONER

Port of Spain, November 11, 1940.—Although on the mainland of South America, British Guiana is usually associated for commercial purposes with the British West Indies (Eastern Group), being only 364 miles from Trinidad, the largest and most southerly of the group.

The livelihood of the inhabitants is dependent on tropical agricultural activities concentrated in some 198 square miles of low-lying land along the coast, which is devoted mainly to the cultivation of sugar cane and rice. The remainder of the Colony's 90,000 square miles consists of virgin forests of tropical hardwoods, wide savannahs and hills.

From the interior is derived greenheart lumber, mora and balata, gold, diamonds and, during the past few years, increasing quantities of bauxite.

The total population in 1938 was estimated at 337,521, of which 142,978 were East Indians, 130,693 of African descent, and only 2,233 European other than an estimated 8,878 Portuguese.

Of the above population, 67,584 inhabitants were settled in Georgetown, the seat of government and principal port, at the mouth of the Demerara river, and 9,650 in New Amsterdam, the only other urban centre of importance. The remainder of the population consisted principally of workers on sugar and rice plantations, where rates of pay vary from 60 cents per day upwards.

It is evident, therefore, that outside of hardware, equipment and materials required for the maintenance of sugar estates and mills, and civic, mining and lumber activities, the volume market in British Guiana is for merchandise saleable to people of small incomes.

British Guiana's direct foreign trade in 1939 was valued at \$25,131,991 and re-exports at \$201,295. The value of direct trade was higher by \$1,709,604 than in 1938 when it amounted to \$23,422,387.

This increase in direct trade was due mainly to an increase in the value of domestic exports, which amounted to \$14,525,780 as compared with \$13,064,358 in 1938. Net imports showed only a slight increase, being valued at \$10,606,211 as compared with \$10,358,029 in 1938. As a result, British Guiana's favourable balance of trade rose to \$3,919,569 as compared with \$2,706,329 in 1938.

EXPORTS

A reduction of volume in the principal commodities, excepting bauxite, balata and sawn timber, exported in 1939 was offset by an all-round increase in prices, which resulted in a gain of \$1,461,422 in the total value of exports for the year.

The price of sugar—the main product exported—rose to \$45.42 per ton f.o.b. in 1939 as compared with \$41.28 in 1938. A total of 179,103 tons valued at \$8,134,190 was exported as compared with 183,478 tons valued at \$7,573,905 in 1938.

Exports of by-products of sugar—overproof rum and molasses—were reduced in quantities and values to 978,817 proof gallons (\$430,114) and 5,360,270 gallons (\$279,318) respectively as compared with 1,056,266 proof gallons (\$458,281) and 5,892,004 gallons (\$302,091) in the previous year.

With the outbreak of war, British Guiana was placed in a favourable position for the sale of rice to the British West Indies, although exports in 1939, amounting to 12,501 tons (\$582,547), were slightly lower in volume than the 1938 exports of 12,888 tons (\$577,155).

Bauxite has become the principal non-agricultural product exported from British Guiana, and in 1939 accounted for 20 per cent of the value of the Colony's

exports as compared with 1 per cent in 1920. Exports in 1939 amounted to 476,013 tons (\$2,889,368), a marked increase over the previous year's exports of 376,368 tons (\$2,020,275).

Other products exported, according to quantity and value in 1939, with comparative figures for 1938 within parentheses, were as follows: Gold, 38,473 ounces, \$1,060,616 (39,728 ounces, \$1,030,778); diamonds, 33,352 carats, \$424,860 (33,509 carats, \$377,132); balata, 545,881 lbs., \$194,433 (485,394 lbs., \$163,721); round and hewn lumber, 272,566 cubic feet, \$147,017 (362,879 cubic feet, \$182,810), and sawn timber, 84,669 cubic feet, \$72,231 (76,281 cubic feet, \$66,301).

DIRECTION OF TRADE

Due to heavy shipments of sugar and bauxite, Canada was credited with purchasing 51 per cent (\$7,394,058) of British Guiana's total domestic exports in 1939, while the United Kingdom received 35 per cent.

The following is a list of principal products exported, showing total values in 1939 and 1938 and the percentage of total values in 1939 shipped to principal purchasing countries:—

Sugar.—\$8,134,190 (\$7,573,905 in 1938): Canada, 57 per cent; United Kingdom, 42 per cent.

Bauxite.—\$2,889,368 (\$2,020,275): Canada, 87 per cent; United States, 8 per cent.

Gold.—\$1,060,616 (\$1,030,778): United Kingdom, 60 per cent; United States, 37 per cent.

Rice.—\$582,547 (\$577,155): British West Indies, 80 per cent; French West Indies, 13 per cent.

Rum.—\$430,114 (\$458,281): United Kingdom, 82 per cent; Canada, 11 per cent.

Diamonds.—\$424,860 (\$377,132): Belgium, 49 per cent; United Kingdom, 46 per cent.

Molasses.—\$279,318 (\$302,091): Canada, 37 per cent; United States, 35 per cent; United Kingdom, 18 per cent.

Balata.—\$194,433 (\$163,721): nearly all United Kingdom.

Round and Hewn Timber.—\$147,017 (\$182,810): United Kingdom, 50 per cent; United States, 27 per cent.

Sawn Timber.—\$72,231 (\$66,301): British West Indies, 47 per cent; United States, 30 per cent.

IMPORTS

Total imports, less parcel post shipments, in 1939 were valued at \$10,807,506, or \$186,534 more than the total value of \$10,620,972 in 1938.

This increase was due mainly to larger imports of manufactured products, which accounted for 63·5 per cent of the total imports as compared with 62·7 per cent in the previous year. Food and drink imports accounted for 30·2 per cent of the total imports, or slightly lower than the 31·5 per cent recorded for the previous year.

The principal products showing increased importation values in 1939 were as follows, with comparative figures for 1938 shown within parentheses: Explosives, \$91,931 (\$28,090); metals and manufactures of metal, \$566,266 (\$504,904); sawn timber, \$218,705 (\$160,592); hosiery and underwear, \$122,096 (\$78,770); manufactured manures, \$444,685 (\$402,889); tobacco in leaf, \$106,496 (\$70,498); cotton piece-goods, \$659,264 (\$624,026); apparel, \$187,838 (\$157,713); cement, \$121,898 (\$93,137) and fresh vegetables, \$249,387 (\$224,790).

Decreased importation was shown for: machinery, \$708,869 (\$905,534 in 1938); flour, \$788,324 (\$905,920); shooks, staves and headings, \$80,473 (\$127,336); beer, ale and stout, \$142,842 (\$176,181); and butter, \$164,916 (\$193,021), although, due to diversion of trade there were increased imports from Canada in the foodstuffs listed above.

IMPORTS FROM THE UNITED KINGDOM

In 1939 imports from the United Kingdom accounted for 45 per cent of total imports as compared with 50 per cent in 1938, being valued at \$4,888,979, or \$472,540 less than the previous year's value of \$5,361,519.

15255—1½

The values of the principal items imported from the United Kingdom in 1939, with values for 1938 within parentheses, were as follows:—

Cotton piece-goods, \$562,024 (\$534,793); manures, \$402,150 (\$356,691); metal and metal manufactures, \$341,343 (\$365,986); flour, \$253,653 (\$445,122); boots and shoes, \$184,973 (\$204,257); machines and machinery, n.o.p., \$152,180 (\$236,482); sugar machinery, \$142,524 (\$243,524); paper and manufactures of paper, \$132,138 (\$137,606); common soap, \$138,215 (\$128,920); woollen piece-goods, \$128,467 (\$102,832); artificial silk piece-goods, \$118,474 (\$112,455); beer, ale, stout and porter, \$101,855 (\$144,242); cotton manufactures, \$101,759 (\$96,400); cement, \$91,122 (\$79,458); motor cars, lorries and vans, \$85,437 (\$85,565); smoked and dried fish, \$75,488 (\$27,610); manufactured tobacco, other than cigars and cigarettes, \$74,725 (\$83,327); coal, coke, etc., \$71,933 (\$85,535); paints, \$71,594 (\$70,931); medicines and drugs, \$70,144 (\$82,819); hats and caps, \$57,391 (\$76,867); bicycles and tricycles, \$55,934 (\$62,688); peas, beans and lentils, \$53,679 (\$78,481); whisky, \$51,858 (\$41,998); chemicals other than salt, \$50,435 (\$54,139); butter substitute, \$40,079 (\$36,832); outer and under garments, not hosiery, \$39,995 (\$54,336); confectionery, \$37,261 (\$47,672); lubricating oil, \$34,304 (\$35,822); oils, n.o.p. \$33,148 (\$37,855); books, printed, \$31,687 (\$35,213); electrical apparatus, \$29,291 (\$43,671); hardware, \$28,552 (\$25,722); lime, except manurial, \$30,557 (\$24,499); sewing machines, \$39,858 (\$37,950); agricultural implements, \$25,788 (\$26,928).

IMPORTS FROM THE UNITED STATES

Imports from the United States were valued at \$1,545,249 and accounted for 14 per cent of the total imports in 1939 as compared with \$1,209,307 or 11 per cent of the total imports in 1938.

The principal products imported were as follows:—

Mining machinery, \$165,038 (\$146,942); electrical apparatus, \$97,705 (\$84,427); unmanufactured tobacco leaf, \$95,961 (\$56,267); wood and lumber for containers, \$78,136 (\$118,695); machinery, n.o.p., \$79,171 (\$37,872); cotton piece-goods, \$62,427 (\$57,729); metal manufactures, \$60,738 (\$16,063); meats, salted or pickled, \$51,816 (\$39,622); pitch pine, dressed, \$54,777 (\$29,414); medicines and drugs, \$47,154 (\$38,509); cinematograph films, \$47,503 (\$49,153); implements and tools, all kinds, \$34,133 (\$24,719); toilet requisites, \$43,121 (\$27,491); lubricating oils, \$27,004 (\$17,470).

IMPORTS FROM OTHER FOREIGN COUNTRIES

The outstanding imports from other foreign countries were as shown in the following table, comparative figures being given for 1938 and 1939:—

	1938	1939
Holland—		
Condensed milk	\$133,471	\$157,931
Potatoes	30,444	25,713
Germany—		
Iron and steel manufactures	19,716	29,236
Medicines and drugs	10,747	13,051
Japan—		
Cotton hosiery	13,046	29,189
Cotton manufactures	11,703	21,075
Artificial silk piece-goods	17,623	17,856
Argentina—		
Beef and pork, salted and pickled	67,531	76,747
Belgium—		
Manures	30,412	27,832

TRADE WITH CANADA

EXPORTS TO CANADA

Canada is the main market for British Guiana's exports of sugar and bauxite, and the steadily increasing production of bauxite has brought about a very favourable balance of trade for British Guiana, attaining in 1939 the record figure of \$5,443,379.

Figures of trade with Canada from 1936 to 1939 are as follows:—

	1936	1937	1938	1939
Exports to Canada	\$4,643,179	\$5,880,042	\$6,865,557	\$7,394,058
Imports from Canada	1,314,055	1,655,604	1,567,318	1,950,679
Balance in favour of British Guiana	\$3,329,124	\$4,224,438	\$5,298,239	\$5,443,379

IMPORTS FROM CANADA

Under the influence of war conditions during the last quarter of 1939, imports from Canada for the year were valued at \$1,950,679, which was \$383,361 higher than the previous year's import value of \$1,567,318. Canada's share of the total import trade rose correspondingly from 15 per cent to 18 per cent.

Foodstuff imports from Canada, valued at \$1,167,573, were \$220,347 greater than in 1938, and accounted for 36 per cent of the total value of foodstuffs imported as compared with 28 per cent for the previous year. Manufactured products showed a moderately increased import value of \$633,853 as compared with \$501,096 for 1938, or 9 per cent and 7 per cent respectively of the total value of manufactured imports.

Imports of raw materials or semi-manufactured goods—mainly lumber—amounted to \$149,253 in value as compared with \$118,996 in 1938.

Foodstuffs.—Evidence of trade diversion to Canada was apparent from the imports of a number of foodstuffs easily obtainable from that source, such as 123,086 barrels of flour valued at \$526,013 as compared with 79,411 barrels valued at \$431,196 in 1938; butter, 72,147 pounds, \$24,021 (11 pounds, \$2 in 1938); potatoes, \$112,402 (\$90,145); canned fish, \$76,329 (\$52,944); beer, \$25,885 (\$5,759); beans and peas, \$14,738 (\$2); cheese, \$32,139 (\$17,371); salted beef and pork, \$46,291 (\$37,884); and onions, \$14,462 (\$6,928). The one important decrease occurred in dried and smoked fish imports, the value for which dropped to \$111,495 from the previous year's value of \$155,278.

Manufactured Products.—An increase occurred in imports from Canada of nearly all manufactured products. The quantities and import values of those products showing a pronounced increase were: Nails and spikes, 7,928 cwts., \$29,788 (5,053 cwts., \$18,329 in 1938); portland cement, 9,544 barrels, \$30,776 (4,557 barrels, \$13,679); rubber-soled footwear, 3,203 dozen pairs, \$27,553 (2,736 dozen pairs, \$19,702); lubricating oil, \$22,399 (\$11,195); apparel, \$30,532 (\$19,583); medicines and drugs, \$36,457 (\$27,957); steel office furniture, \$30,901 (\$23,012); motor cars and trucks, 85, \$60,029 (77, \$53,862). The one important decrease was in mining machinery, which dropped in value to \$6,364 from \$50,402.

In semi-manufactured products (the principal imports from Canada) moderate increases were shown in dressed timber, 76,354 cubic feet, \$62,516 (61,510 cubic feet, \$50,639); and undressed timber, 119,756 cubic feet, \$74,460 (107,755 cubic feet, \$62,808).

IMPORTS OF INTEREST TO CANADA

Following is a list of imports into British Guiana in 1939 in which Canada shared to a value exceeding \$5,000, showing total quantities and values, comparative quantities and values for 1938 within parentheses, and values for chief supplying countries:—

Beer, Ale and Stout.—140,286 gals., \$142,842 (179,800 gals., \$176,181): United Kingdom, \$101,525; Holland, \$13,271; Canada, \$25,885 (\$5,759).

Butter.—559,961 lbs., \$164,916 (689,343 lbs., \$193,021): Eire, \$73,109; New Zealand, \$20,947; Australia, \$22,717; Argentina, \$12,174; United Kingdom, \$10,715; Canada, \$24,021 (\$2).

Cheese.—324,224 lbs., \$53,752 (327,329 lbs., \$57,368): Holland, \$14,176; New Zealand, \$6,097; Canada, \$32,139 (\$17,371).

- Oilcake and Oilmeal*.—1,088,019 lbs., \$25,141 (808,557 lbs., \$17,685): United States, \$12,942; Canada, \$12,110 (\$7,372).
- Cattle Foods of High Protein Content*.—279,692 lbs., \$6,846 (123,762 lbs., \$2,925): Canada, \$6,182 (\$2,258).
- Canned Fish*.—655,413 lbs., \$98,967 (556,497 lbs., \$77,689): United States, \$15,520; Canada, \$76,329 (\$52,944).
- Mackerel and Salmon, Pickled in Barrel*.—2,708 bbls. of 200 lbs., \$22,136 (2,973 bbls., \$23,762); all from Canada.
- Fish, Smoked or Dried*.—34,958 cwts., \$198,688 (36,888 cwts., \$200,886): United Kingdom, \$75,488; Canada, \$111,495 (\$155,278).
- Apples, Fresh*.—151,221 lbs., \$9,889 (164,048 lbs., \$9,429): Canada, \$7,332 (\$6,615).
- Fruit, Canned*.—100,609 lbs., \$13,569 (149,253 lbs., \$18,256): United States, \$3,970; Canada, \$5,294 (\$4,870).
- Oats*.—2,260,084 lbs., \$37,921 (2,029,920 lbs., \$37,494); Holland, \$6,935; Canada, \$30,671 (\$28,260).
- Flour*.—202,186 bags of 196 lbs., \$788,324 (186,250 bags, \$905,920): United Kingdom, \$253,653; Canada, \$526,013 (\$431,196).
- Cornmeal*.—2,925 bags of 196 lbs., \$12,659 (3,027 bags, \$12,118): United Kingdom, \$6,523; Canada, \$5,665 (\$9,829).
- Other Farinaceous Products*.—605,116 lbs., \$27,969 (777,880 lbs., \$36,678): British Malaya, \$7,256; Canada, \$13,069 (\$13,553).
- Beans, Peas and Lentils*.—2,950,166 lbs., \$108,729 (4,072,802 lbs., \$120,767): United Kingdom, \$53,679; United States, \$21,587; Canada, \$14,738 (\$2).
- Lard and Lard Substitutes*.—85,016 lbs., \$8,810 (35,787 lbs., \$4,640): Canada, \$7,859 (\$3,494).
- Beef and Pork, Salted*.—10,617 barrels of 200 lbs., \$195,247 (10,065 barrels, \$181,194): Argentina, \$76,747; United States, \$51,816; Canada, \$46,291 (\$37,884).
- Provisions, n.o.p.*—\$96,417 (\$109,746): United Kingdom, \$56,605; United States, \$21,176; Canada, \$9,751 (\$3,760).
- Potatoes*.—6,973,991 lbs., \$152,399 (8,122,285 lbs., \$137,743): Holland, \$25,713; Canada, \$112,402 (\$90,145).
- Onions*.—2,046,500 lbs., \$52,865 (1,993,331 lbs., \$51,249): Egypt, \$14,612; Portuguese Possessions, \$8,164; Holland, \$5,799; Canada, \$14,462 (\$6,928).
- Vegetables, n.o.p.*—341,453 lbs., \$15,080 (351,425 lbs., \$13,649): Canada, \$10,709 (\$9,462).
- Oils, n.o.p. (Other than Cod Liver Oil and Crude Petroleum including Residual Oils)*.—50,544 gals., \$32,877 (48,399 gals., \$28,536): United Kingdom, \$26,959; Canada, \$5,226 (\$191).
- Sawn Timber, Dressed, Other than Pitch Pine*.—76,354 cubic feet, \$62,516 (61,510 cubic feet, \$50,639); all from Canada.
- Sawn Timber, Undressed, Other than Pitch Pine*.—121,046 cubic feet, \$75,910 (108,489 cubic feet, \$63,362): Canada, \$74,460 (\$62,808).
- Apparel, except Hosiery*.—\$187,838 (\$157,713): Hongkong, \$103,938; United Kingdom, \$39,995; Canada, \$30,532 (\$19,583).
- Silk Hosiery*.—1,543 dozen pairs, \$9,871 (1,605 dozen pairs, \$9,748): Canada, \$9,805 (\$9,234).
- Artificial Silk Hosiery*.—17,704 dozen pairs, \$24,856 (12,898 dozen pairs, \$18,736): Hongkong, \$3,086; United Kingdom, \$8,427; Canada, \$7,909 (\$4,049).
- Footwear, Rubber-soled*.—22,998 dozen pairs, \$83,849 in value (20,011 dozen pairs, \$83,664): Hongkong, \$36,321; British India, \$12,915; United Kingdom, \$5,244; Canada, \$27,553 (\$19,702).
- Footwear n.o.p.*—16,440 dozen pairs, \$209,284 (15,037 dozen pairs, \$200,798): United Kingdom, \$179,729; Canada, \$21,664 (\$1,562).
- Barbed Wire*.—2,711 cwts., \$12,048 (1,610 cwts., \$7,356): United Kingdom, \$2,073; Canada, \$8,165 (\$5,248).
- Rivets, Clinches and Wire Manufactures, n.o.p.*—2,090 cwts., \$17,133 (2,105 cwts., \$20,830): United Kingdom, \$10,486; Canada, \$5,030 (\$3,239).
- Nails and Spikes*.—9,866 cwts., \$40,165 (7,265 cwts., \$29,866): United Kingdom, \$4,698; Germany, \$4,299; Canada, \$29,788 (\$18,329).
- Black Iron and Steel in Bars, Rods and Sheets (Other than Boiler Plates)*.—15,398 cwts., \$52,973 (12,716 cwts., \$43,612): United Kingdom, \$35,381; Canada, \$13,526 (\$6,326).
- Railway and Tram Materials*.—436 tons, \$35,813 (317 tons, \$25,579): United Kingdom, \$16,573; United States, \$8,383; Canada, \$10,857 (\$2,909).
- Furniture of Steel*.—\$69,126 (\$64,169): United Kingdom, \$30,310; United States, \$6,488; Canada, \$30,901 (\$23,012).

Iron and Steel Manufactures, n.o.p.—\$79,436 (\$50,397): United Kingdom, \$41,705; United States, \$15,507; Canada, \$21,659 (\$17,168).

Electrical Goods and Apparatus, n.o.p.—\$85,474 (\$87,095): United States, \$56,681; United Kingdom, \$18,616; Canada, \$7,186 (\$4,946).

Mining Machinery.—302 tons, \$181,765 (896 tons, \$206,482): United States, \$165,038; Belgium, \$5,592; United Kingdom, \$3,223; Canada, \$6,364 (\$50,402).

Typewriters.—253, \$10,065 (210, \$8,973): United States, \$1,698; United Kingdom, \$1,248; Canada, \$6,559 (\$6,243).

Unclassified Accessories and Appliances.—\$82,293 (\$83,773): United Kingdom, \$50,343; United States, \$23,406; Canada, \$8,490 (\$3,516).

Motor Cars and Vans.—233, \$158,446 (248, \$157,727): United Kingdom, \$85,437; United States, \$9,077; Canada, \$60,029 (\$53,862).

Motor-car Parts.—\$44,735 (\$37,203): United States, \$13,974; United Kingdom, \$18,699; Canada, \$10,847 (\$6,462).

Rubber Tubes and Tires for Motor Vehicles.—\$35,261 (\$29,529): United Kingdom, \$10,798; United States, \$4,125; Canada, \$17,789 (\$12,332).

Cement, Portland.—39,216 barrels of 400 lbs., \$121,898 (31,589 barrels, \$93,137): United Kingdom, \$91,122; Canada, \$30,776 (\$13,679).

Medicines and Drugs, n.o.p.—\$166,555 (\$156,274): United States, \$44,522; United Kingdom, \$64,509; Germany, \$13,051; Canada, \$36,457 (\$27,957).

Paints, including Colours and Pigments.—\$131 cwts., \$88,642 (10,023 cwts., \$5,051): United Kingdom, \$71,594; Canada, \$14,612 (\$10,035).

Refined Lubricating Oil.—1,640,613 gals., \$87,308 (1,368,216 gals., \$65,115): United Kingdom, \$34,304; United States, \$27,004; Canada, \$22,399 (\$11,195).

Toilet Soap.—118,973 lbs., \$23,477 (81,850 lbs., \$16,950): United Kingdom, \$14,578; Canada, \$7,081 (\$3,791).

Varnish and Polish, not containing Spirits.—6,490 gals., \$8,180 (\$6,601): United Kingdom, \$2,570; Canada, \$5,402 (\$3,271).

Printing Paper.—\$32,024 (\$38,744): United Kingdom, \$17,101; Holland, \$5,523; Canada, \$6,080 (\$12,337).

Paper, n.o.p.—\$202,526 (\$196,158): United Kingdom, \$112,270; Holland, \$14,417; United States, \$15,239; Belgium, \$8,079; Canada, \$36,202 (\$30,218).

Wooden Furniture.—\$19,956 (\$23,785): Poland, \$6,078; United Kingdom, \$2,710; Canada, \$6,548 (\$5,804).

Machinery Belting.—\$43,162 (\$50,913): United Kingdom, \$33,889; Canada, \$7,044 (\$7,928).

Oilcloth.—\$6,747 (\$7,550): United Kingdom, \$1,346; Canada, \$5,034 (\$3,700).

Manufactured Goods, n.o.p.—\$108,138 (\$116,488): United Kingdom, \$35,053; United States, \$20,952; Japan, \$18,232; Canada, \$18,071 (\$12,243).

The following list shows total values of imports of lesser importance, with the value of Canada's share in each item within parentheses:—

Unsweetened biscuits, bread and cakes in barrels or boxes, \$1,298 (Canada, \$882); unsweetened biscuits in tins, \$7,473 (\$4,759); prepared cocoa, \$20,351 (\$649); roasted or ground coffee, \$1,110 (\$1,058); confectionery, \$40,990 (\$3,343); animal fodder, \$3,639 (\$3,484); bran and pollard and schumaker feed, \$2,693 (\$2,349); feeding grain, \$5,752 (\$4,964); pickled fish, other than mackerel and salmon, \$2,828 (all from Canada); fresh fish, \$2,325 (\$2,301); barley, \$13,736 (\$3,545); jams and jellies, \$3,442 (\$1,272); canned meats, \$37,421 (\$1,549); meats, n.o.p., \$37,581 (\$2,309); condensed milk, \$188,521 (\$2,180); live poultry, \$2,011 (\$412) condiments, \$5,649 (\$1,866); seeds, \$6,925 (\$123); whisky, \$52,087 (\$229); flavouring essences, \$3,575 (\$161); refined sugar, \$5,109 (\$3,720); unmanufactured leaf tobacco, 25-38 per cent moisture, \$25,405 (\$3,406); dried or canned vegetables, \$16,923 (\$4,059); crude petroleum (including residual oils) in packages, \$5,436 (\$2,066); greases and fats, \$7,848 (\$2,295); shooks, staves and headings, \$80,473 (\$2,210); cotton piece-goods, yardage value not exceeding 1s., \$628,389 (\$878); cotton manufactures, n.o.p., \$131,059 (\$2,107); silk ribbons, trimmings and tape, \$347 (\$279); silk manufactures, other than piece-goods, \$775 (\$350); cordage, \$22,961 (\$375); twine, \$28,137 (\$1,762); hats and caps, \$91,707 (\$357); cotton hosiery, \$5,938 (\$2,683); cotton underwear, \$63,415 (\$4,540); artificial silk underwear, \$14,512 (\$2,809); bolts, nuts, washers and chains, \$18,268 (\$1,744); galvanized iron and steel in bars, rods, sheets or corrugated, \$94,887 (\$1,028); aluminium manufactures, \$6,966 (\$729); non-ferrous metal manufactures including white metal alloys, \$6,509 (\$416); cutlery, \$12,681 (\$1,863); hardware other than furniture and hollow-ware, \$57,897 (\$4,802); agricultural implements, \$27,336 (\$485); implements and tools, n.o.p., \$64,339 (\$3,439); photographic appliances except films, \$11,886 (\$1,369); clocks, \$4,932 (\$1,414); watches, \$1,733 (\$570); insulated

electric wires and cables, \$14,323 (\$927); electric cooking and heating apparatus, \$4,115 (\$320); radio parts, \$10,028 (\$580); electrical machinery, \$32,026 (\$2,912); sugar machinery, \$172,411 (\$1,233); machinery, n.o.p., \$38,914 (\$3,845); glass and glassware, \$40,092 (\$1,999); calcium carbide, \$3,408 (\$2,783); chemicals, n.o.p., \$77,825 (\$1,583); common soap, \$149,527 (\$2,026); spirits of turpentine, \$2,203 (\$569); trunks, bags and valises of leather, \$4,455 (\$338); rubber manufactures, \$10,087 (\$4,884); containers for locally manufactured goods, \$9,082 (\$1,188); firearms, other than pistols, \$9,121 (\$1,640); household brooms and brushes, \$4,029 (\$1,913); manures (phosphates, etc.), \$38,621 (\$2,176); perfumery and cosmetics, \$63,786 (\$4,165); polishes and blacking, \$23,599 (\$457); stationery, other than paper, \$24,208 (\$951); toys and games, \$31,718 (\$4,128).

TRADE OF SOUTHERN RHODESIA IN 1939

J. H. ENGLISH, CANADIAN TRADE COMMISSIONER

Johannesburg, October 3, 1940.—The total value of the trade of the Colony of Southern Rhodesia for the year 1939, according to the official government statistics which have just been released, was £20,918,000. Although this was slightly less than the total for the preceding year, when the figure was £21,642,000, it was nevertheless larger than for any other year since 1914. The total for 1939 was made up of imports valued at £9,054,000 and exports valued at £11,864,000, values of both imports and exports being slightly lower than in 1938. The visible favourable balance of trade for the year stood at £2,810,000 as compared with £2,124,000 in 1938.

During 1939 the major portion of Southern Rhodesia's external trade continued to be with Empire countries. Of the total trade value of £20,918,000 British countries accounted for £17,216,000. Over 73 per cent of the Colony's imports (excluding specie) was from Empire sources, and 90 per cent of her exports (excluding specie) went to countries within the Empire. The United Kingdom continued to be the leading source of imports, supplying 44·7 per cent, followed by South Africa with 18·3 per cent and Canada with 4·2 per cent. The leading foreign source of supply was the United States, which furnished 9·5 per cent of the Colony's imports. As regards exports, the United Kingdom took 65·7 per cent, Northern Rhodesia 17·4 per cent, South Africa 4·5 per cent, and the United States 2·6 per cent.

Southern Rhodesia, despite its small population, has a relatively high purchasing power. The total population amounts to only 1,300,000, of which Europeans or whites total less than 60,000. The per capita trade resulting from prosperous agricultural and mining industries is, however, high when compared with other countries. For the year 1939, for instance, the per capita total trade amounted to approximately £17, imports being approximately £7 10s. and exports approximately £9 10s. per head of population.

The following table shows total values of imports and exports, including re-exports and the value of the gold premium, during recent years:—

	Imports	Exports
1932	£4,272,000	£ 6,330,000
1934	5,309,000	8,405,000
1936	7,027,000	10,153,000
1938	9,759,000	11,883,000
1939	9,054,000	11,864,000

IMPORTS AND EXPORTS BY MAIN GROUPS

Both imports and exports by principal classes were well maintained for the year as compared with 1938. In imports increases occurred in all classes with the exception of "metals, machinery and vehicles", "wood, cane and wicker manufactures", "books and stationery" and "jewellery", but the declines in values were not great. The principal decreases in the main export groups

included "foodstuffs", "tobacco", "minerals" and "woodenware", but here again the actual decline in value was not substantial.

In the following table values for imports and exports by main groups are shown for the years 1938 and 1939:—

Imports Into Southern Rhodesia by Main Groups

	Imports		Exports	
	1938	1939	1938	1939
Animals, agricultural and pastoral products..	£ 64,089	£ 91,122	£ 183,722	£ 206,002
Foodstuffs	712,188	746,179	704,403	516,421
Alcs, spirits, wines and beverages	163,406	174,498	114,516	117,107
Spirits, etc., non-potable	16,691	18,203	950	990
Tobacco	23,869	27,952	1,354,434	1,113,287
Fibres, yarns, textiles and apparel	1,618,558	1,675,194	404,087	479,056
Metals, machinery and vehicles	4,310,215	3,595,936	6,930,444	7,280,277
Minerals, earthenware and glassware	136,945	158,707	1,676,676	1,538,246
Oils, waxes, paints, etc.	492,635	510,564	103,208	110,982
Drugs, chemicals and fertilizers.	425,997	475,507	46,653	56,783
Leather, rubber and manufactures	330,558	353,393	52,981	61,168
Wood, cane, wicker and manufactures.	384,855	308,484	177,826	167,878
Books, paper and stationery	236,879	231,739	46,926	52,231
Jewellery, timepieces, fancy goods, etc.	159,912	140,987	29,646	30,686
Miscellaneous	370,232	412,353	50,455	64,038
Total merchandise	£9,447,029	£8,920,818	£11,876,927	£11,795,152
Government stores	£ 226,375	.....	.....	.....
Specie	85,405	133,541	6,518	68,611
Grand total	£9,758,809	£9,054,359	£11,883,445	£11,863,763

IMPORTS

The comparatively slight decline in the value of imports from £9,758,809 in 1938 to £9,054,359 in 1939 is evidence of the maintenance of general business activity in the Colony despite the intervention of the war and the natural restrictions to trade during the last four months of 1939.

As compared with 1938 the principal reductions in imports can be accounted for by substantial reductions in purchases of railway equipment. Imports of heavy rails, locomotives, rolling stock and sleepers all declined but, as these may be classed as seasonal rather than normal imports, the trend is not necessarily significant. In most cases it will be noted from the appended table that the figures for 1939 are generally equal to those for 1937. More indicative of the situation, however, are declines recorded in the imports of certain wearing apparel, haberdashery, silk piece-goods, furniture and such like.

On the whole, however, imports were well maintained, as indicated in the following table which lists some of the leading commodities of interest to Canada:—

Principal Imports Into Southern Rhodesia

	1937	1938	1939
Wheat in the grain.	£ 61,741	£ 88,724	£ 74,693
Sugar	82,486	91,177	101,735
Whisky	94,479	93,788	103,514
Apparel—			
Outer garments	279,361	296,351	276,172
Hats and caps	45,976	44,496	41,405
Underclothing—			
Cotton	106,583	107,989	155,308
Woollen and other	61,570	55,632	32,618
Blankets and rugs, cotton	125,105	119,492	129,878
Cotton piece-goods	528,222	485,201	529,799
Furnishing drapery	50,776	45,143	41,506
Soft haberdashery	75,051	73,915	66,734
Silk and rayon piece-goods	61,131	50,557	41,637
Ploughs	61,686	49,464	45,169
Other agricultural machinery	48,525	69,635	83,843

Principal Imports into Southern Rhodesia—Concluded

	1937	1938	1939
Electrical machinery	£247,132	£393,804	£264,803
Mining machinery	286,705	285,525	256,697
Iron and steel, bar and rod	44,288	54,822	33,853
Iron and steel, pipes and piping	72,850	118,658	156,551
Iron and steel, sheets, galvanized and corrugated	63,198	62,441	66,924
Rails, heavy	161,672	229,025	154,212
Locomotives	16,757	199,981	73,994
Rolling stock	41,582	340,882	76,773
Other railway material	99,303	65,858	41,453
Mechanics' tools	44,271	49,241	44,056
Electric cable and wire	122,913	134,969	110,995
Wireless telegraphy and telephony instruments	53,981	53,844	47,696
Other electrical goods and apparatus	55,195	64,838	94,530
Motor cars	360,474	347,448	323,123
Motor-car and motor-truck parts and accessories	62,465	82,348	81,882
Motor trucks	210,129	236,894	239,298
Motor-truck chassis	70,285	69,758	64,802
Bicycles, tricycles and parts	139,316	134,685	147,695
Sodium cyanide	112,620	96,659	96,069
Fertilizers	92,410	106,746	117,569
Medicinal preparations	51,519	64,276	79,616
Footwear, leather—			
Men's	48,913	51,271	69,839
Women's	43,129	45,707	46,499
Motor-car tires	84,952	110,579	91,813
Pine, unmanufactured	52,454	60,380	65,470
Wooden furniture	88,890	101,538	88,615
Wooden sleepers	33,896	94,161	23,372
Blasting compounds	131,041	143,823	134,431

SOURCES OF SUPPLY

The United Kingdom, as previously stated, was the principal source of supply of imported merchandise in 1939 as in 1938, with a proportion of the total of 44·7 per cent as compared with 49·4 per cent in the preceding year. The Union of South Africa, with which country Southern Rhodesia has a special trade treaty, was second among suppliers, providing 18·3 per cent of the Colony's imports in 1939 as against 15 per cent in 1938. The Union was followed by the United States, which supplied 9·5 per cent of the Colony's requirements in 1939 and 8·9 per cent in 1938, and Canada with 4·2 per cent in 1939 as compared with 3·9 per cent in 1938. Empire countries continued, as during the past five years, to account for well over 70 per cent of the total Southern Rhodesian imports.

The following table shows imports into Southern Rhodesia during the past two years by principal countries in order of value in 1939:—

Imports Into Southern Rhodesia by Principal Countries

	1938	1939
United Kingdom	£4,664,616	£3,986,010
South Africa	1,420,836	1,632,990
United States	842,969	850,759
Canada	372,509	375,354
India	187,539	207,376
Portuguese East Africa	167,291	186,102
Japan	188,801	183,729
Germany	264,896	168,211
Netherlands East Indies	96,055	161,326
Belgium	151,073	129,019
Italy	94,880	118,380
Netherlands	101,991	98,825
Sweden	91,603	87,028

Imports from the United Kingdom, amounting to almost half of the total imports into the Colony, covered a wide range of commodities, chief among which were outer garments valued at £119,723 as compared with £116,933 in

1938; cotton piece-goods, £472,307 (£447,284 in 1938); agricultural machinery, £24,668 (£34,388); transformers, £69,806 (£77,008); mining machinery, £106,060 (£116,985); iron and steel piping, £104,237 (£93,461); bolts and nuts, £15,572 (£18,842); heavy rails, £154,170 (£229,023); locomotives, £72,271 (£193,305); rolling stock, £75,531 (£331,812); electric cable and wire, £92,524 (£111,134); bicycles and parts, £146,203 (£133,045); fertilizers, £34,818 (£22,340); women's footwear, £12,035 (£14,519), and motor-car tires, £59,888 (£62,620).

The values of imports from South Africa during 1939 and 1938 totalled £1,080,912 and £1,112,749 respectively and included principally such items as horses, sheep, fresh fruit, etc. Certain products of special interest to Canada include condensed milk, £9,600 (£6,423); outer garments, £84,569 (£115,698); cotton underclothing, £27,048 (£23,168); iron and steel pipes and fittings, £49,094 (£14,702); motor cars mainly assembled in the Union from Canadian parts, £85,118 (£63,497); motor trucks, £144,777 (£98,550); calcium carbide, £13,286 (£10,395); women's leather footwear, £27,665 (£21,980); motor-car tires, £19,430 (£31,667), and cardboard, £10,305 (£9,236).

In the following tables are briefly summarized the imports into Southern Rhodesia during the past two years from certain foreign countries supplying goods which might under favourable conditions be drawn from Canada. Among these countries are included, in addition to the United States, certain others which were important suppliers before the war but are now almost entirely out of the market because of enemy occupation. In respect of these particularly there are possibilities for the diversion of trade to Canada. This is more especially the case on account of the friendly feeling which exists in Southern Rhodesia towards Canada as well as the fact that the Government of Southern Rhodesia has imposed no exchange restrictions adversely affecting trade with the Dominion.

Imports of Interest to Canada

From the United States—	1938	1939
Preserved vegetables	£ 2,955	£ 2,834
Outer garments	16,619	26,945
Underclothing	6,145	9,574
Ploughs and harrows	8,410	10,952
Other agricultural implements	23,963	43,551
Mining machinery	94,846	82,855
Pumps and accessories	20,785	20,579
Wire fencing	4,001	5,447
Mechanics' tools	13,035	14,278
Pine, unmanufactured	11,736	13,971
From Germany—		
Ploughs and harrows	10,023	4,616
Electrical machinery	49,369	15,558
Battery shoes and dies	10,459	10,119
Pipes, iron and steel	7,379	3,085
Mechanics' tools	3,463	2,390
Cutlery, not plated	2,949	1,653
Rails, light	2,196	1,326
Photographic goods	6,955	6,608
From Belgium—		
Blankets and rugs, cotton	49,602	47,143
Bolts, nuts and rivets, iron and steel	5,505	2,133
Fencing material, not wire	6,811	11,453
Zinc sheets	8,422	10,464
From Italy—		
Hats and caps	8,310	6,869
Blankets and rugs, cotton	52,632	63,937
Hats and caps, wool	5,801	16,699
Silk and rayon piece-goods	784	1,020
From the Netherlands—		
Hams	1,727	1,532
Milk, condensed	7,527	8,257
Zinc sheets	1,984	1,683
Sodium cyanide	2,509	2,980
Wireless sets and material	17,785	15,921
Superphosphates	10,471	7,025
Other fertilizers	43,752	38,094

Imports of Interest to Canada—Concluded

From France—	1938	1939
Outer garments	£ 1,765	£ 2,006
Blankets and rugs, cotton	1,682	2,601
Haberdashery, soft	2,204	3,023
Silk and rayon piece-goods	1,291	1,491
Light rails	3,804	3,166
From Czecho-Slovakia—		
Pipes and piping	4,723	4,794
Hinges and bolts	1,501	514
Ploughs, harrows, etc.	5,066	6,372
Sodium cyanide	2,209	1,970
Leather footwear, women's	6,391	1,895

TRADE WITH CANADA

In 1939 Canada was again the fourth largest supplier of merchandise to Southern Rhodesia, being preceded only by the United Kingdom, South Africa and the United States. Imports from Canada were larger in 1939 than in any previous year, the value being £375,354 as compared with £372,509 in 1938 and £341,832 in 1937.

A wide variety of commodities are supplied by Canada to this market, but under prevailing conditions an opportunity exists for the extension of this list in a number of directions. With many Continental European countries no longer able to maintain their trade, Canada is being called upon to make up these deficiencies wherever possible.

Among the leading imports from Canada during the past two years the following are the most important:—

Principal Imports From Canada

	1938	1939
Wheat	£29,780	£24,275
Wheat flour	1,189	1,744
Fish, preserved	4,843	2,557
Milk, desiccated	6,426	8,214
Outer garments	4,603	4,722
Hosiery, not wool or cotton	26,582	25,351
Ploughs and harrows	9,609	8,819
Other agricultural machinery	6,278	5,197
Typewriters	3,020	1,543
Pipes, iron and steel	2,513	2,600
Nails, wire	1,619	4,104
Screening, wire	2,180	3,956
Electrical material	8,362	13,203
Motor cars	52,028	46,950
Motor-car and truck parts, etc.	12,260	14,368
Motor trucks and vans	68,130	52,310
China and porcelainware	4,725	7,163
Sodium cyanide	18,865	19,513
Motor-car tires	9,260	8,272
Motor-car tubes	536	674
Pine, unmanufactured	6,026	4,929
Boxes, empty	5,158	814
Paper, printing	7,126	8,093
Paper, kraft wrapping	9,353	8,171
Bands and belting	8,465	7,288

SOUTHERN RHODESIAN EXPORT TRADE

The Colony's export trade in 1939 was well maintained and showed only a slight decline in value of £20,000 from that for the previous year. An analysis of the export returns shows the importance of the three leading industries. Gold bars continued to be the chief export item, 787,897 fine ounces valued at £5,999,173 being exported as compared with 801,023 fine ounces valued at £5,679,104 in 1938. Unmanufactured tobacco was second in importance, exports in 1939, chiefly to the United Kingdom and South Africa, totalling

18,462,068 pounds valued at £1,012,390 as compared with 22,587,625 pounds valued at £1,260,912 in 1938. Although the value of fresh, frozen and chilled meat exported was relatively small, being £151,393 in 1939 as against £159,043 in 1938, from the point of view of volume the figures are more impressive. For 1939 and 1938, these were respectively 11,837,795 pounds and 13,540,359 pounds. Other leading exports were raw asbestos, for which the Colony is well known, the values being £1,193,010 in 1939 and £1,267,321 in 1938. Exports of cattle hides, both dry and wet, amounted to 7,177,939 pounds valued at £142,716 in 1939 and 6,318,284 pounds valued at £119,440 in 1938.

Maize is usually an important item in the export trade of Southern Rhodesia, but poor crop conditions seriously reduced production in 1939. Whereas exports that year amounted to only 8,647,656 pounds valued at £16,485, the figures for 1938 and 1937 respectively were 79,267,218 pounds and 285,271,014 pounds valued at £164,126 and £506,333.

Another important export reaching world markets is chrome ore, in which Rhodesia is rich. Shipments in 1939 were much below the average, amounting to 118,728 tons valued at £274,980 as compared with 225,868 tons valued at £515,881 in 1938.

In addition to the few leading items mentioned, a wide variety of products of the secondary industries of Southern Rhodesia is exported, chiefly to contiguous territories.

DISTRIBUTION OF EXPORTS

Over 90 per cent of Southern Rhodesia's exports in 1939 went to British Empire countries. The United Kingdom was, as in the previous years, the leading market, taking 65·7 per cent compared with 65·1 per cent in 1938. Northern Rhodesia was the second most important outlet, taking 17·4 per cent in 1939 as compared with 14·7 per cent in 1938. South Africa's share of Southern Rhodesia's exports was 4·5 per cent in 1939 as against 4·4 per cent in 1938, followed by the United States with 2·6 per cent in 1939 and 3·2 per cent in the previous year. Canada received no direct shipments from Southern Rhodesia in 1939.

The values of Southern Rhodesia's exports to leading countries during the years 1938 and 1939 are shown in the following table:—

Southern Rhodesia's Exports by Countries

	1938	1939
United Kingdom	£7,735,967	£7,751,611
Northern Rhodesia	1,753,045	2,052,962
South Africa	526,850	531,903
United States	378,614	306,558
Belgium	139,840	71,282
Czecho-Slovakia	53,486	9,798
France	191,225	164,126
Germany	224,777	114,296
Sweden	28,984	25,796
Canada	535	.....

MR. SYKES AT VANCOUVER AND VICTORIA

Mr. Paul Sykes, Canadian Trade Commissioner at Bombay, India (whose territory includes Burma and Ceylon), who has been on tour in the Dominion in the interest of Canadian trade with his territory, is now visiting Vancouver and Victoria, where he will be until December 23.

Firms in these cities or their districts who wish to be brought in touch with Mr. Sykes should communicate with the office of the Canadian Manufacturers' Association at Vancouver.

SUMMARY OF THE TRADE OF CANADA: MONTH, TEN MONTHS, AND TWELVE MONTHS ENDING OCTOBER, 1940

(Compiled by External Trade Branch, Dominion Bureau of Statistics)

Main Groups	Month of October, 1940				Ten Months ending October, 1940				Twelve Months ending October, 1940			
	From United Kingdom		From United States		From United Kingdom		From United States		From United Kingdom		From United States	
	Total Imports	\$	Total Imports	\$	Total Imports	\$	Total Imports	\$	Total Imports	\$	Total Imports	\$
<i>Imports for Consumption</i>												
Agricultural and Vegetable Products.....	16,723,670	683,038	5,708,135	129,051,689	7,065,123	47,315,750	154,921,395	9,193,190	56,238,189			
Animals and Animal Products.....	2,246,637	228,729	1,272,892	30,611,989	3,228,866	18,052,012	38,202,288	4,259,590	21,783,004			
Fibres, Textiles and Textile Products.....	10,212,049	2,937,428	4,264,659	125,631,552	46,355,432	53,695,196	149,453,372	54,587,109	65,556,190			
Wood, Wood Products and Paper.....	3,320,000	188,349	2,980,253	31,851,931	2,307,399	28,069,272	38,361,522	2,914,355	33,636,232			
Iron and its Products.....	30,067,733	1,210,880	28,640,924	240,781,809	18,254,249	219,261,530	280,015,762	22,194,964	253,697,136			
Non-Ferrous Metals and their Products.....	8,810,474	1,712,035	4,656,871	56,004,788	10,265,955	35,675,526	66,129,638	11,100,505	42,454,941			
Non-Metallic Minerals and their Products.....	15,671,959	1,850,019	12,095,657	132,861,796	14,307,900	103,900,256	157,867,966	16,412,622	124,298,356			
Chemicals and Allied Products.....	4,927,400	657,472	4,191,930	42,893,090	6,545,050	33,829,036	52,765,316	8,281,924	40,891,865			
Miscellaneous Commodities.....	16,464,930	5,687,931	10,537,193	87,075,912	23,357,180	60,951,612	96,287,846	24,683,900	68,187,311			
Total Imports, 1940.....	108,644,552	15,175,881	74,348,514	877,364,556	131,687,154	600,750,190	1,034,035,105	153,628,189	706,743,224			
1939.....	79,053,265	5,777,132	60,444,240	594,384,985	92,066,374	390,905,432	701,974,640	110,125,935	457,744,297			
1938.....	63,908,640	11,589,139	38,488,813	569,861,799	101,232,869	357,591,702	703,627,242	124,896,370	439,116,513			
<i>Exports (Canadian Produce)</i>												
Agricultural and Vegetable Products.....	16,253,617	7,884,375	5,799,005	180,450,673	106,651,794	46,759,010	249,263,837	126,453,652	86,114,681			
Animals and Animal Products.....	13,343,551	8,214,656	3,844,853	134,727,486	86,588,641	37,654,801	161,628,894	102,952,286	45,494,077			
Fibres, Textiles and Textile Products.....	31,594,722	363,097	450,433	17,853,171	5,318,770	2,486,496	19,848,221	5,587,189	2,729,910			
Wood, Wood Products and Paper.....	31,530,140	8,853,212	19,321,545	288,067,500	68,731,607	177,403,156	333,292,304	74,023,226	211,091,038			
Iron and its Products.....	13,285,179	4,495,687	7,940,360	94,565,610	39,996,285	4,966,322	123,183,722	42,382,358	5,915,886			
Non-Ferrous Metals and their Products.....	15,937,508	8,749,690	5,990,802	163,563,062	85,467,173	53,969,647	193,963,572	98,568,002	64,223,541			
Non-Metallic Minerals and their Products.....	2,991,770	464,795	1,928,431	27,693,961	5,485,539	15,419,951	34,793,933	6,305,571	19,250,459			
Chemicals and Allied Products.....	2,665,376	551,181	649,308	26,782,813	7,278,904	9,362,330	31,178,055	8,027,417	10,993,993			
Miscellaneous Commodities.....	5,170,544	3,952,194	862,527	30,177,045	18,556,533	7,223,259	32,933,481	19,416,100	8,665,762			
Totals, 1940.....	102,972,407	43,558,257	39,641,317	963,881,321	424,375,546	355,274,972	1,162,066,019	483,715,801	454,472,147			
1939.....	90,432,556	25,033,823	48,090,233	728,741,406	268,758,987	281,194,872	881,608,524	390,043,493	334,318,095			
1938.....	88,168,954	36,044,905	27,994,231	682,716,899	278,404,179	217,337,966	888,533,329	388,741,102	270,837,066			
<i>Exports (Foreign Produce)</i>												
Agricultural and Vegetable Products.....	3,818,403	3,043,979	666,643	12,221,460	4,064,760	7,388,547	14,499,856	4,141,255	9,436,136			
Animals and Animal Products.....	1,985,674	13,188	915,012	8,717,213	4,710,688	7,313,982	10,543,763	1,828,456	8,800,622			
Fibres, Textiles and Textile Products.....	1,084,974	187,787	815,089	9,273,660	1,617,902	6,810,077	11,232,717	1,795,398	8,388,916			
Totals, 1940.....	6,812,050	3,062,004	1,597,745	20,212,333	8,796,450	15,512,606	25,543,435	6,765,509	19,065,674			
1939.....	5,854,942	2,814,926	1,496,355	18,438,905	7,438,905	11,438,905	20,269,889	5,149,014	15,860,580			
1938.....	5,253,488	2,643,506	1,343,506	17,468,483	6,678,483	11,438,905	19,269,889	5,149,014	15,860,580			
<i>Excess of Imports (i) or all Exports (e)</i>												
Totals, 1940.....	(i) 1,854,042	(e) 31,426,355	(i) 34,040,554	(e) 98,738,225	(e) 296,753,152	(i) 238,086,871	(e) 142,530,770	(e) 334,228,807	(i) 242,834,941			
1939.....	(e) 12,365,924	(e) 19,269,889	(i) 11,438,905	(e) 141,073,634	(e) 117,408,281	(i) 102,396,988	(e) 100,167,647	(e) 290,746,014	(i) 159,860,580			
1938.....	(e) 25,314,958	(e) 24,643,506	(i) 9,678,483	(e) 122,128,760	(e) 117,789,212	(i) 133,789,212	(e) 106,136,804	(e) 235,638,090	(i) 159,860,580			

FOREIGN TRADE OF CYPRUS IN 1939

PREPARED BY THE EXTERNAL TRADE BRANCH, DOMINION BUREAU OF STATISTICS

(Cyprus trade figures have been converted to Canadian currency at the rate of \$1.61 to the pound.)

Situated off the coast of Asia Minor in the eastern Mediterranean, the British island of Cyprus has an area of almost 3,600 square miles and a population of 376,000. Its mineral resources, mostly copper ores, are extensive. Its production of wines in 1938 amounted to 227,000 hectolitres (one hectolitre equals 22.0244 imperial gallons). The largest part of the population is Christian, but there is a considerable Moslem minority. The island has 700 schools and 50,000 scholars.

EXPORTS

According to the Cyprus trade returns covering the calendar year 1939, just received by the Bureau of Statistics, domestic exports from Cyprus in 1939 had a total value of \$10,797,000. About half of these exports went to the United Kingdom and Germany, equally divided between the two. The next country of consignment was France, closely followed by the United States.

The list of exports from Cyprus was dominated by the two items of copper concentrates (valued at \$3,434,000) and copper pyrites (\$1,915,000). These have come in the past year or two to make up half the value of all Cyprus exports. The other exports valued at more than \$400,000 each were crude whole carobs, potatoes, and asbestos.

IMPORTS

Total imports into Cyprus in 1939 were valued at \$8,724,000. By far the largest supplier was the United Kingdom, which contributed \$2,842,000. Roumania was second, supplying \$874,000, and was followed in order by Germany, Australia, the United States, Egypt and Canada.

Among the imports into Cyprus, those of wheat flour and planks and boards, the two large items of greatest interest to Canada, were valued at \$369,000 and \$462,000 respectively. Cotton piece-goods (\$389,000), mining machinery (\$340,000), gasoline (\$278,000), woollen piece-goods (\$263,000), crude petroleum (\$262,000), chemical fertilizers (\$216,000), sugar (\$204,000), unmanufactured tobacco (\$180,000), and wheat (\$159,000) were other leading items.

Duties collected on imports totalled \$1,951,000 in 1939, representing an ad valorem equivalent of 18 per cent.

TRADE WITH CANADA

Imports into Cyprus from Canada in 1939 were valued at \$271,000. By value exactly half of the imports was in the single commodity of wheat. The other important commodity imported from Canada was motor cars and chassis, imports of which were valued at \$75,000. Items of lesser importance, in order of value, were tires and tubes, hardware and cutlery, timber, and flour. Exports to Canada amounted only to \$5,403.

All of the foregoing figures are from the Cyprus trade returns. Canadian trade statistics do not show exports to Cyprus separately but include them with those to Malta and Gozo. The total value of exports to these islands in 1939 is shown at \$382,000. Imports from them, as recorded, were negligible.

As the figures in this article suggest, the Canadian share of the Cyprus market is not large. Ninety-five per cent of the imports of the important item of wheat flour was from Australia; over 80 per cent of the timber and lumber imports was from Roumania, with Yugoslavia and Sweden making up most of the remainder and Canada supplying less than 1 per cent. No imports of cotton piece-goods from Canada are recorded in the Cyprus trade returns, the sources of this important item being mainly the United Kingdom, India, Italy, Belgium and Japan.

TRADE OF GERMANY WITH BRITISH MALAYA AND NETHERLANDS INDIA

J. L. MUTTER, CANADIAN TRADE COMMISSIONER

(One Straits dollar equals approximately 52.5 cents Canadian; one Netherlands Indies guilder equals approximately 59.4 cents Canadian.)

BRITISH MALAYA

Singapore, October 8, 1940.—The following table affords a comparison of Germany's share of British Malaya's import trade during the years 1937-39 inclusive with that of Canada, with particular reference to manufactured goods:—

Imports into British Malaya

	1937 \$ Straits	1938 \$ Straits	1939 \$ Straits
From all sources	679,912,679	546,609,942	620,619,174
Of which manufactured goods represented	41.6%	45.2%	40.3%
From Germany	13,294,863	11,180,137	8,183,298
Of which manufactured goods represented	97.8%	98.3%	96.7%
From Canada	5,332,031	4,960,354	5,247,133
Of which manufactured goods represented	91.3%	87.0%	87.1%

The principal articles comprising Germany's share of the trade in manufactured goods were, in order of importance: internal combustion engines; tin plates; parts for bicycles; proprietary medicines; unenumerated manufactures of iron and steel; formic acid; cardboard; wire and wire netting; tubes, pipes and fittings of wrought iron and steel; steel rails; miscellaneous chemical manufactures; motor vehicles; lamps, lanterns and parts thereof; bolts and nuts; railway wagons and trucks; aniline dyes; hard haberdashery; knives; cooking and household utensils; steel bars, rods, angles, shapes and sections; sewing machines; rubber cases of 3-ply wood; locomotives; beer and ale; brass and brassware.

With the cessation of imports into British Malaya from Germany following upon the outbreak of war, importers have been looking elsewhere for these items and, as one European source of supply after another has been cut off, the field in which purchases can be made has been narrowed down to a point where it comprises the United Kingdom, the United States, Canada, and to a lesser extent Australia and South Africa, countries that are much less completely industrialized.

It should be noted, however, that emergency defence legislation, designed to conserve foreign exchange, has been effective throughout British Malaya since November, 1939. Under powers of this legislation, imports of some 76 items from countries other than those within the sterling bloc are drastically restricted, while imports of 236 items from non-sterling sources are absolutely prohibited. Consequently, so long as the items affected are available within the sterling group of countries, Canadian exporters cannot expect to replace Continental suppliers of such items. Full particulars of the legislation referred to are on file at the Department of Trade and Commerce, Ottawa, and it is suggested that firms contemplating export to Malaya should first ascertain from the Department that their products are neither restricted nor prohibited, since it is virtually impossible under present circumstances to interest local importers and agents in such items.

NETHERLANDS INDIA

The position which Germany held in the import trade of this territory in manufactured goods during the past three years is shown in the appended table:—

Imports into Netherlands India

	1937 Guilders	1938 Guilders	1939 Guilders
From all sources	490,579,000	478,450,000	469,717,000
Of which manufactured goods represented	84.5%	81.4%	90.7%
From Germany	41,874,000	49,053,000	41,190,000
Of which manufactured goods represented	98.3%	98.9%	98.9%
From Canada	3,079,000	3,667,000	3,485,000
Of which manufactured goods represented	95.5%	96.3%	97.3%

The great bulk of Germany's exports to the Netherlands Indies fell under the three following statistical headings: "machinery, tools, etc., including lamps, watches and arms"; "metals and metal products, n.e.s."; and "chemicals, medicines, fertilizers, perfumeries and paints." Under the first heading the most important items were: internal combustion engines; pumps and fittings; sewing machines; miscellaneous machinery, including steam turbines and parts; electric motors, dynamos; transformers; locomotives; wood-working machines; machine tools; electric cables; radio sets; office appliances; agricultural machinery and implements; scientific instruments and apparatus; petrol, gas and other lamps; clocks and watches; arms and parts.

Prominent in the "metals and metal products" classification were: aluminium and aluminium products; iron and iron alloys in sheets and bars; iron and steel sections; railway material; pipes and fittings; tacks, nails and screws; reinforcing steel; tin sheets; copper and copper alloys and products thereof, including wire, sheets, bars, pipes, and fittings.

The principal items in the "chemicals, fertilizers and paints" group were: gunpowder; other explosives and ammunition; formic acid; other chemicals, including acetic acid, sodium bisulphite and pyrosulphite, potassium, photographic chemicals; proprietary medicines and chemical food preparations; ammonium sulphate and other fertilizers; aniline, paints and colouring materials; soaps; insecticides and disinfectants.

It is obvious that, with the cessation of supplies from Germany and other Continental sources, the Netherlands Indies must look elsewhere for their requirements, and there are unquestionably opportunities at the present time for the introduction of Canadian products. It should be borne in mind, however, by exporters who are interested in examining the possibilities of the Netherlands East Indies market that Canada is excluded from the terms of the sterling-guilder arrangement arrived at between the Governments of the United Kingdom and the Netherlands Indies shortly after the invasion of Holland.

IMPORT CONTROL REGULATIONS

So far as is known, importers in the Netherlands East Indies operating under the exchange control regulations now in force have not as yet encountered any difficulties in obtaining permission to purchase from such non-sterling sources as Canada. It is understood, however, that in the case of certain specified items they may only apply for permission to do so if they can show that they have regularly imported those items from such sources in the past. Moreover, imports of the items so far specified (none of which, incidentally, is of particular interest to Canada) are not to exceed those of 1939, a feature which would tend to strengthen the position of sterling countries in a position to supply the articles concerned. The object of the exchange control regulations now effective in the Indies, like those applying in British Malaya, of course, is to conserve foreign exchange, notably United States and Canadian dollars, for the purchase of arms and munitions from North American sources.

CONDITIONS IN BRITISH NORTH BORNEO IN 1939

C. H. KHOO, OFFICE OF THE TRADE COMMISSIONER

(All values are in Straits currency; S\$1 equals approximately 52 cents Canadian at current exchange; one picul equals 133½ pounds)

Singapore, October 16, 1940.—A brief review of the trade of British North Borneo in 1939 was published in *Commercial Intelligence Journal* No. 1896, (June 1, 1940), page 858. Additional information is contained in the Governor's Administration Report for 1939, recently released.

Economic conditions generally throughout the year were satisfactory. There was a constant demand for native labour on the rubber estates, in timber and firewood camps and on hemp plantations, and wages tended to rise at the end of the year.

Customs revenue increased by \$115,910, due to larger collections of import and export duties consequent upon improvement in trade, receipts for 1939 totalling \$1,486,132 as compared with \$1,370,222 for 1938. Revenue from all sources totalled \$3,527,522, or \$259,500 more than in the previous year. Ordinary expenditure absorbed \$1,942,848 and capital expenditure \$311,691.

PRODUCTION AND EXPORTS

The production of export crops, upon which the prosperity of the state depends to a considerable extent, showed marked improvement in comparison with 1938, the value of agricultural exports amounting to \$9,390,731 as against \$6,072,421 for the previous year. Similar advance was shown in domestic production of staple food crops.

The year was a reasonably prosperous one for rubber producers, the higher price and increase in exportable quota affording welcome relief after the lean year experienced in 1938. A total of 26,575,427 pounds of rubber valued at \$8,054,590 was exported, an increase of approximately 25 per cent in quantity and 70 per cent in value over the 1938 figures.

The coconut industry experienced a depressed year, however, the low market prices proving very disappointing to producers. Exports of copra amounted to 153,522 piculs valued at \$359,411, an increase in quantity but a drop in value when compared with the previous year. Production of coconut oil jumped slightly as a natural outcome of the low price of copra and the advancing cost of imported edible oil. A total of 7,074,346 cubic feet of timber was cut from licensed areas, and 5,419,866 cubic feet valued at \$2,436,029 were exported, Japan taking 41·31 per cent. Increased freight charges and other expenses after the outbreak of hostilities in Europe tended to cut down profits of timber companies.

Fishing is still the principal occupation of the natives in coastal regions of Borneo, and canned, dried and salted fish rank third in the list of export commodities of the state. Exports of fish products in 1939 amounted to 31,329 piculs valued at \$531,226.

British North Borneo's tariff system provides for preferential treatment of goods of British Empire origin. Nearly all of her imported requirements are drawn from the entrepot ports of Singapore, Hongkong and, to a lesser extent, the Philippines, and, therefore, Canadian exporters interested in this market should direct their initial efforts to securing an entree into these latter areas.

BUSINESS CONDITIONS IN THE WESTERN UNITED STATES

B. C. BUTLER, CANADIAN TRADE COMMISSIONER

Los Angeles, November 20, 1940.—General business activity in the Western United States (eleven Pacific Coast and Mountain States) is enjoying a pronounced upswing, stimulated by the growing momentum of the defence program. Up to the middle of October, some 16 per cent or \$1,358,000,000 of the awards of the National Defence Advisory Commission had been placed in the Western States. The increased activity of the defence industries is producing expansion in all industries supplying materials. Payrolls and employment figures are greatly increased. The gains of the earlier months of the year were accelerated during September and October, and the general index of business activity was 76·3 in September against 75·1 in September, 1939, and 71·8 in September, 1938.

The industries showing the most pronounced development are aircraft, shipbuilding, construction, automobiles, steel and furniture. The position of the tire, oil, tool, motion picture and petroleum industries is not so satisfactory. Retail trade was slightly off during September as compared with August. No more than seasonal expansion was noted in industries supplying consumer goods. Despite curtailment of foreign markets, agriculture is, on the whole, in a better condition than it was last year. The table following shows the main indices of business (1923-25 average equals 100) in this area during September last and September, 1939:—

	With Seasonal Adjustment		Without Seasonal Adjustment	
	Sept. 1940	Sept. 1939	Sept. 1940	Sept. 1939
Lumber (volume)*	97	87	110	98
Refined oils (volume) . . . . .	...	...	167	168
Cement (volume)	124	113	132	120
Wheat flour (volume)	105	118	125	140
Petroleum (volume) . . . . .	...	...	93	93
Residential building permits (value)*	65	43	72	47
Public works contracts* . . . . .	...	...	204	142
Electric power production*	226	214	236	224
Employment* (Pacific Coast)	130	110	137	116
Payrolls* (Pacific Coast)	137	108	141	113
Department store sales (value)*	100	95	103	98
Department store stocks (value)	62	63	63	64
Furniture store sales (value)*	83	77	88	82
Furniture store stocks (value)	73	72	72	71
Automobile sales (number)* . . . . .	...	...	84	76
Carloadings (number)*	89	86	102	100
Intercoastal traffic (volume)	63	78	65	80

* Daily average.

AVIATION

The backlog of unfilled orders for the supply of British Empire governments, plus new orders from the United States Government, is now estimated to be valued in the neighbourhood of \$1,300,000,000. Aircraft factories on the coast are expanding as rapidly as new buildings and plant can be provided, and thousands of employees have been added to their working forces. About 65 per cent of the United States aircraft industry is located in Southern California, and over 50 per cent in the Los Angeles area.

At time of writing, the most significant event in the aircraft industry is the strike involving over 5,000 employees of the Vultee factory at Downey, California. The solution of this labour problem is being watched by all industries and especially by those engaged in the production of defence materials and equipment.

SHIPBUILDING

Uncompleted contracts for shipbuilding on the West Coast, valued at \$162,000,000 at the beginning of September, stood at \$815,000,000 late in October after contracts for the new defence program had begun to be announced.

MOTION PICTURES

The moving picture industry is well along on its 1940-41 production schedule. The loss of foreign markets has been reflected in considerable curtailment in the staffs of most of the major studios.

CONSTRUCTION

The rapid expansion of defence industries has spurred construction of all kinds to high levels. The value of new construction during recent months exceeds that for any similar period in the past ten years. Government projects for new or larger army and navy facilities account for a large part. Increases to privately owned plants are also partly at government expense and Federal funds are providing housing for defence workers. From June to the end of October, army and navy construction awards in the West totalled \$105,000,000. Of this sum \$63,000,000 will be spent in California, \$18,000,000 in Washington, \$3,000,000 in Utah, \$2,200,000 in Nevada, and \$1,800,000 in Oregon. These sums do not include over \$18,000,000 for increased shipyard facilities in Washington and California, or \$40,000,000 through the United States Housing Authority to provide living quarters for families of defence workers.

New private, non-residential building contracts were three times greater in September than in September, 1939, and private residential contracts were up 47 per cent. The total amount of new private residential building in the West for the nine months ending September was estimated at almost \$210,000,000, which is 21 per cent more than for the same period last year.

LUMBERING

The demand during August and September was of an emergency character, as it is not expected that the defence plans will require more than 8 per cent of the national lumber production over a two-year period based on the 1940 output, which is 43 per cent above that of 1938. There is a shortage, however, due to the defence orders and to the labour strike in coastwise schooner shipping. The price of Douglas fir is higher than for ten years, but stocks of other lumber are sufficient.

PULP AND PAPER

Pacific coast mills have been operating at capacity for over a year and demand is good. The stoppage of Scandinavian supplies has brought business to mills which specialize in higher grades of pulp.

MINING

Domestic consumption will exceed mining output, necessitating the use of reserve stocks. Western copper mines and refineries are operating at capacity. Mining of other non-ferrous metals has been accelerated by defence plans, opening up unused deposits of manganese, mercury and similar strategic supplies. The West produces 66 per cent of the nation's copper and 43 per cent of the lead.

PETROLEUM

The position of the oil industry is virtually unchanged from last year. Production is controlled and prices remain low.

MISCELLANEOUS

Cement production in California is at the highest level since 1927, due partly to the Big Dam and irrigation works as well as to defence construction. In the Northwest, cement production is curtailed as the concrete work on the Grand Coulee Dam nears completion.

Steel producers in the West are working nearly to capacity.

AGRICULTURE

Farm cash income in the Western States for the first seven months of the year is estimated to be 11 per cent above that of the same period last year and 15 per cent above the 1938 period. The gain is due mainly to better returns on field crops and, to a lesser extent, on live stock and live-stock products.

In California and Arizona this higher income is due to increased returns from citrus fruit, the total return for the marketing year just closed being 20 per cent higher than in the previous season. Damage to Florida and other Southern citrus crops last winter brought a 9 per cent increase in prices for Western oranges and, in addition, shipments from California and Arizona were up 20 per cent over last year. California produces the entire commercial crop of lemons in the United States. Despite a record production, returns from this crop were slightly below last year's due to lower prices.

The canning of fruit and tomato juices has provided a growing outlet for these crops in the past decade. In 1930 less than 1,500,000 cases were packed in the United States and Hawaii. In the current season the pack will exceed 42,250,000 cases. The Western States produce over half the nation's pack of canned orange and lemon juice and concentrates, 15 per cent of the tomato juice and 40 per cent of the grape, berry and other fruit juices.

Drought reduced the yields of wheat, barley, potatoes and oats in the Pacific Northwest, but a large apple crop is expected. This crop accounts for 15 per cent of the Washington farm income.

BANKING

Expanding commercial and industrial operations were reflected in recent bank loans. To this rise was added the seasonal increase resulting from harvesting, storing and processing of farm crops, and the manufacture and stocking of goods for the Christmas season. Bank debits for the thirty Western cities showed a gain of 7 per cent for the nine months ending September over the same period of 1939.

FOREIGN TRADE

Exports from the Pacific Coast during the first nine months of the year totalled \$275,000,000, practically the same figure as for the corresponding period of 1939. Imports showed a gain in the same months of 27 per cent, totalling \$170,500,000 as against \$125,000,000 in the first three quarters of 1939. The following table shows the total foreign trade of West Coast ports for the nine-month period of 1939 and 1940:—

Foreign Trade of Pacific Coast Ports

	Imports		Exports	
	January-September 1940	1939	January-September 1940	1939
Total California	\$135,266,371	\$ 94,847,277	\$190,008,161	\$197,328,217
Los Angeles	65,484,963	42,712,464	97,482,651	107,314,464
San Francisco	67,730,903	50,135,472	87,354,503	85,353,321
San Diego	2,050,505	1,999,341	5,171,007	4,660,432
Oregon	5,354,710	5,964,415	23,387,597	24,595,938
Washington	29,861,398	23,959,471	61,970,851	53,413,599
Total Pacific Coast	\$170,482,479	\$124,771,163	\$275,366,609	\$275,337,754

The war has changed the character of the trade and has consequently had an effect upon the ports through which the trade passes. The loss of foreign markets is reflected in a drop in the export of foodstuffs and other farm products from all Pacific Coast ports, but this has been offset by heavier lumber exports from Washington and sales of war equipment such as aircraft.

The trade of West Coast ports with Canada for the eight months ending August is tabled below:—

Trade of Pacific Coast Ports with Canada

	Imports from Canada		Exports to Canada	
	January-August		January-August	
	1940	1939	1940	1939
Total California	\$ 3,990,838	\$ 2,432,762	\$ 7,977,920	\$ 6,936,835
Los Angeles	2,481,257	1,545,288	4,845,321	4,168,609
San Francisco	1,379,409	874,800	3,132,235	2,767,216
San Diego	130,172	12,674	364	1,010
Oregon	111,616*	57,124	.....	478
Washington	13,905,106	10,723,070	10,784,827	10,463,346
Total Pacific Coast	\$18,007,560	\$13,212,956	\$18,762,747	\$17,400,659

* July and August estimated.

OUTLOOK

The huge defence expenditures referred to throughout this report will doubtless result in stimulated business conditions in the West. The question that is still to be answered by the experience of coming months is whether the expanded industrial and construction activity will provide sufficient income to absorb the surplus farm output which normally finds its way into export markets now lost as a result of the war. Until this question is answered, the outlook for Western agriculture in general, and for such food crops as citrus fruits and apples in particular, is uncertain.

One interesting factor is the growth of the domestic consumer market in the West, as revealed by latest census figures. The population of the eleven Western States has increased during the ten years from 1930 to 1940 by 16 per cent to a total of 13,811,000, a rate of increase more than double that of the whole country. California's gain of 1,200,000 in the ten-year period was greater in actual numbers than that of any other state, although exceeded by some states on a percentage basis.

Southern California is confident that as far as this area is concerned, a good part of the present industrial development due to the defence program will remain as a permanent condition. Aided by a favourable climate, relatively low construction costs, rich oil resources and low-cost electric power, it is argued that such industries as aviation and related manufactures will find a natural home in this area, and that as a result a huge production will continue even after the war. At the moment, however, it is impossible to predict future developments or business conditions in the West with any degree of certainty, as so much depends upon the international situation and governmental actions with respect to defence, construction, taxation and labour.

NEW COFFEE POLICY IN GUATEMALA

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, November 19, 1940.—In order to battle with the great problem of selling its coffee crop, the Department of Agriculture in Guatemala has placed control of the whole production and export of Guatemalan coffee under an officially operated "Oficina Central del Café." The decree establishing this new policy allots quotas for future crops to each Guatemalan producer, and also lays down certain requisites in regard to purchase, shipment, sale, consular registration, etc., of all operations concerned with the coffee crop. Under this decree Guatemalan growers may export only 75 per cent of their crops to the United States, and the remaining 25 per cent must be disposed of in other markets. All coffee sales must be reported to the Central Bureau within three days. Guatemalan consuls in the United States are expected to report arrivals of all Guatemalan coffee at American ports. It is too early to judge what result these regulations will have; but at the moment there is a noticeable increase in the number of inquiries being made in regard to possible importers in Canada.

MARKET FOR FLOUR IN THE PHILIPPINE ISLANDS

P. V. McLANE, CANADIAN TRADE COMMISSIONER

Hongkong, October 24, 1940.—No complete official statistics are available covering the importation of wheat flour into the Philippine Islands, and it is therefore only possible to give in the following table the arrivals recorded during the first eight months of 1940, together with the figures for the corresponding period of 1939, by principal supplying countries.

Imports of Flour into the Philippine Islands from Principal Countries

	Jan.-Aug., 1939	Jan.-Aug., 1940
	Bags of 49 Pounds	
United States	2,447,480	2,555,644
Canada	380,185	346,933
Australia	967,434	564,789
China	807	.....
Total	3,795,906	3,467,366

COUNTRIES OF SUPPLY

From the foregoing it will be noted that there was a decrease in imports of approximately 9 per cent during the 1940 period as compared with imports in the previous year. As in the past, in consequence of the free-tariff treatment accorded them, exempting them from the payment of the duty of approximately 10½ cents per bag, United States suppliers obtained the bulk of the trade. In addition, particularly attractive prices have been quoted by virtue of the assistance accorded by government subsidy. Australia was the next supplier of importance with 16 per cent of the total imports as compared with 25 per cent in the 1939 period. Canada's share remained steady at 10 per cent, approximately the same as for the 1939 period.

GRADES SUPPLIED

The principal types of United States flour sold in the Philippine Islands are American Export Straight and Blue Stem Cut-off. Sales are also made of American Patent Flour, but to a lesser degree. Canadian imports are primarily confined to Baker's Patent, a hard wheat flour that is in popular demand by bakeries. Australian supplies are practically confined to one basic type, and their participation in the market has been curtailed on account of the inadequacy of steamship services. In connection with grades it is generally understood that United States and Canadian flours will remain in good condition in storage for about three months, whereas the Australian product is reputed to keep for six months.

GENERAL MARKET CONDITION

Rice is the staple food of the people of the Philippines, but in recent years flour has become an economical substitute, and consumption has shown a gradual increase. In the first two months of 1940 consumption was well maintained, although arrivals and forward buying were not heavy. In March the market was quiet, with a general shortage of first-grade flour. In April there was an unusual seasonal decline in consumption, whereas there were large arrivals from Canada and Australia. The reduction in consumption was even sharper in May and June, due to the reduced purchasing power of the people resulting from the low prices obtained for Philippine raw products, particularly copra and hemp. The market continued to be very depressed during July and August. Domestic consumption was further reduced, and forward business completely stagnant. Dealers were forced to cut prices drastically to meet obligations and also to move the flour before it spoiled. There were several failures among dealers, but generally

speaking importers stood the strain well. It is estimated that native consumption of flour has decreased as much as 40 per cent during the year. While this figure may possibly be a little high, there will have to be a decided improvement in the prices of Philippine raw products and an increase in purchasing power before there is any marked increase in the demand for flour. There are still considerable stocks in the dealers' hands, but these are gradually being liquidated. It is predicted that forward buying will be resumed during the next few weeks.

PRICES

Prices have had many ups and downs, with wide fluctuations from month to month. During August, however, they moved within narrow limits. At the beginning of the month, wholesale quotations per barrel c.i.f.c. Manila, duty paid, for American Export Straight was \$4.40 and for Blue Stem Cut-off \$4.50, reaching lows of \$4.25 and \$4.35 respectively but improving to \$4.30 and \$4.40 by the end of the month. Quotations for Canadian flour were practically stationary throughout the month, ranging from \$4.75 to \$5.22 per barrel, depending on the grade. These prices were slightly below United States quotations for similar grades. Australian quotations were nominal, although some business was done at \$4.60. As mentioned above, dealers were forced to sell flour below these replacement figures in order to liquidate their stocks. Transportation difficulties were experienced at the beginning of the year, and most importers and dealers placed heavier orders than were finally justified; as a consequence, when arrivals became heavy the demand was decreasing.

OUTLOOK FOR CANADIAN FLOUR

At present the market for Canadian flour in the Philippine Islands is practically dependent upon the demand from the power bakery firms in Manila, with whom it is extremely popular. On the other hand, it is understood that Canadian flour requires considerable kneading and is therefore not attractive to the ordinary Filipino baker, who is averse to the additional effort involved in its use. During the period under review, prices of Canadian flour have been competitive; in this connection it should be pointed out that price is not the governing factor in the trade, for so long as there is a demand for Baker's Patent, Canada is assured of participation in the market. However, future increased demand will be dependent upon an extension of power bakeries to other parts of the Islands, particularly the provinces. The demand for Canadian flour is expected to show some improvement towards the end of the current year; but in view of the recent losses suffered by importers and dealers, they will adopt a cautious buying policy in future, and therefore any improvement must of necessity be gradual.

FINAL ESTIMATE OF 1940 GRAIN CROPS IN JAPAN

Mr. C. M. Croft, Commercial Secretary of the Canadian Legation at Tokyo, writes under date November 5, 1940, that, according to a statement just issued by the Japanese Department of Agriculture and Forestry concerning the final crop of grains in Japan for 1940, the crop of barley amounted to 37,325,270 bushels, a decrease of 3.1 per cent as compared with 1939; naked barley amounted to 31,061,211 bushels, a decrease of 7 per cent; and wheat to 65,046,562 bushels, an increase of 8.3 per cent. He states further that, as compared with the average actual yield for the last five years, the current crops of barley, naked barley and wheat show increases of 8.7 per cent, 3.5 per cent and 31.9 per cent, respectively.

JAPANESE SUMMER-AUTUMN COCOON CROP ESTIMATE

Mr. C. M. Croft, Commercial Secretary of the Canadian Legation, Tokyo, writes that, according to a statement of the Japanese Department of Agriculture and Forestry on the prospective crop of summer-autumn silk cocoons, the yield of white cocoons is estimated at 349,346,914 pounds and that of yellow cocoons at 78,539 pounds, making a total of 349,425,453 pounds. This is a decrease of 31,464,707 pounds (8.2 per cent) as compared with last year's crop. These estimates are based on conditions as at September 25, 1940. The reduction is accounted for chiefly by a decrease in the number of silk-worm-egg cards incubated, together with unfavourable weather conditions during the crop season. The yield of summer-autumn cocoons for the last five years is as follows: 1935, 313,252,354 pounds; 1936, 343,090,627; 1937, 334,564,651; 1938, 284,337,265; 1939, 380,890,160; 1940, 349,425,453 pounds (estimated).

TENDERS INVITED

Australia

ELECTRIC SWITCHES FOR AUSTRALIAN POSTMASTER GENERAL'S DEPARTMENT

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, writes under date October 18, 1940, that the Deputy Director of Posts and Telegraphs, Melbourne, is calling for tenders for the supply and delivery of electric switches of various types, the closing date for tenders in Melbourne being January 16, 1941. Interested Canadian manufacturers may obtain particulars of the types and quantities of switches required by applying to the Department of Trade and Commerce, Ottawa, quoting file number 13945.

Canadian manufacturers not already represented in Australia who may be interested in this tender are advised to obtain the assistance of an Australian firm versed in the procedure of tendering for the requirements of Australian Government Departments. The name of a firm who would act on behalf of a Canadian manufacturer will be supplied on application to Department of Trade and Commerce, Ottawa, quoting file number referred to above.

TARIFF CHANGES AND TRADE REGULATIONS

Ireland

IMPORT QUOTAS ON SILK AND ARTIFICIAL SILK HOSIERY AND ON LAMINATED SPRINGS

Mr. James Cormack, Canadian Trade Commissioner in Dublin, advises that, by orders of the Government of Eire, dated October 29, 1940, further quotas have been fixed for the period December 1, 1940, to May 31, 1941, for importation into Ireland of the following items:—

Hosiery made wholly or partly of silk or artificial silk: 240,000 pairs.

Certain laminated springs of iron and steel and component parts thereof: £1,000 worth.

In each case the amount is the same as for the preceding six months.

Australia

TARIFF AMENDMENTS

Amendments to the Australian customs tariff, effective November 22, 1940, include increases in the rates of duty on whisky (except whisky distilled in the United Kingdom) from 41s. to 53s. under the British preferential tariff and from 44s. to 56s. under the general tariff. When the whisky does not exceed the strength of proof, these rates apply to the liquid gallon; when it is over proof they are levied on the proof gallon.

Increased duties were also established on beer, brandy, rum, bitters, liqueurs and unspecified spirits, on both unmanufactured and manufactured tobacco (except cigars), on cigarette tubes and papers, on matches, and on carbonic acid gas.

In all cases the same increases were made in both the British preferential tariff (which applies to such imports from Canada) and in the general tariff (which applies to all non-British countries) so that the previous margins of preference were maintained.

CHANGES IN CUSTOMS (IMPORT LICENSING) RESTRICTIONS

Changes in the Australian Customs (Import Licensing) Regulations include the following:—

Sheet Glass.—An order was issued on October 22 that no further licences would be issued for the importation of plain clear sheet glass from non-sterling countries.

Bristles.—The concession announced in *Commercial Intelligence Journal* No. 1890 (April 20, 1940), page 608, that licences might be issued freely for the importation of bristles for brush-making, was suspended for the time being by an order of October 1, and no licences will be issued pending further advice from the Central Licensing Office.

Potassium Bromide.—Potassium bromide was removed on October 21 from the list of drugs and chemicals for which licences of importation from non-sterling countries are issued freely, as announced in *Commercial Intelligence Journal* No. 1890 (April 20, 1940), page 606.

Radiator Assemblies.—Amendments to the Australian customs tariff referred to in *Commercial Intelligence Journal* No. 1866 (November 4, 1939), page 839, included a new sub-item, No. 359J, to become effective on December 7, 1940, covering radiator assemblies when imported for use as original equipment of motor vehicles. By an order dated October 16, goods covered by this item have been placed in category "D" of the import licensing schedule, for which category, it has been announced, no import licences will be issued.

TIMBER IMPORT LICENCES TEMPORARILY WITHHELD

With reference to the article in *Commercial Intelligence Journal* No. 1908 (August 24, 1940), page 307, regarding the Australian import licensing period for timber (lumber) covering the four months, August 1 to November 30, 1940, the Canadian Trade Commissioner in Sydney has cabled that, pending final adjustment, import licences for several of the principal items of timber for the period commencing December 1 are being withheld. A decision as to the further licensing of timber is expected shortly.

Southern Rhodesia

RESTRICTION OF IMPORTS OF SAUSAGE CASINGS, BACON, HAM AND LARD

Mr. J. H. English, Canadian Trade Commissioner at Johannesburg, writes under date October 23 that notice has been issued by the Southern Rhodesia Department of Agriculture and Lands that under the Injurious Substances and Animals Act the importation into the Colony of sausage casings (whether derived from cattle, swine or sheep) or of any bacon, ham or lard from any country in Asia is prohibited as from October 18, 1940.

Importations of these products from any country other than a country in Asia must, as from January 1, 1941, be accompanied by a certificate signed by an official authorized by the Government of the country of origin indicating that the animals concerned were subject to rigid post- and ante-mortem inspection. Details of the new regulations may be seen upon application to the Department of Trade and Commerce, Ottawa.

British Malaya

IMPORT REGULATIONS AMENDED

The Straits Settlements, on October 10, 1940, transferred "rubber cases of 3 plywood and parts and fittings therefor" from the list of restricted imports to the list of imports prohibited from Canada and other non-sterling areas. In the Federated Malay States, import licences are required as from October 9 from such areas for "paints ground in oil or water" and "other descriptions of paints and enamels."

Fiji

TARIFF AMENDMENTS

The *Fiji Royal Gazette* of October 26, 1940, contains the customs tariff schedule as amended October 25, including a considerable number of increases in rates of duty.

The duties on motor vehicles and component parts and accessories thereof except tires and tubes (excluding motor tractors, motor cycles and side-cars, and motor trucks for mining use) are increased from 20 per cent ad valorem under British preferential tariff and 35 per cent ad valorem under general tariff to 25 per cent and 40 per cent respectively.

Articles formerly dutiable at 20 per cent ad valorem under the British preferential tariff and 40 per cent ad valorem under the general tariff, and now subjected to rates of 25 per cent and 45 per cent respectively, include tires and tubes for motor vehicles, clocks and clockware, and unspecified electrical goods and apparatus.

Bicycles having frames 22 inches or over, formerly 15s. each or, if higher, 20 per cent ad valorem, under British preferential tariff, are now rated at 20s. each or, if higher, 25 per cent. General tariff rates, formerly 30s. each or 40 per cent ad valorem, are increased to 40s. each or 50 per cent.

Candles, formerly 1½d. per lb. under British preferential and 3d. per lb. under general tariff, are now 20 per cent and 40 per cent ad valorem under the respective tariffs. Sharps and pollard, formerly 30s. per ton of 2,000 pounds under British preferential tariff and 50s. under general tariff, are now 40s. and 60s. per ton respectively. Lubricating grease is increased from 20 per cent and 30 per cent to 25 per cent and 35 per cent, and jams and jellies from 10 per cent and 35 per cent to 15 per cent and 40 per cent under the respective tariffs. Laundry soap in bars, formerly 1d. and 2d. per lb., is increased to 2d. and 4d., while confectionery, formerly dutiable at 3d. per lb. plus 10 per cent ad valorem under the British preferential tariff and 6d. per lb. plus 30 per cent ad valorem under the general tariff, is increased to 4d. per lb. plus 10 per cent ad valorem and 8d. per lb. plus 30 per cent ad valorem.

There are decreases in the rates on blasting explosives which were formerly 20 per cent ad valorem under British preferential tariff and 40 per cent ad valorem under general tariff, but are now reduced to 10 per cent and 30 per cent respectively.

The principal articles of clothing, towels, blankets, and umbrellas are subject to specific rates of duty with alternative ad valorem rates if the latter return higher duty. The various specific rates are not changed, but the alternative rates, uniform for all these articles, are increased from 20 per cent British preferential tariff and 40 per cent general tariff to 25 per cent and 50 per cent respectively. The ad valorem rates also apply to unspecified drapery for which there are no specific rates.

A variety of machinery, locomotives, some agricultural implements, and tools, were formerly admissible at 7½ per cent under British preferential tariff and 22½ per cent general tariff, with suspended rates of 10 per cent or 15 per cent preferential tariff and 25 per cent or 30 per cent general tariff, according to the description of goods. The higher rates are not now provided for in the tariff.

Rates of 7½ per cent British preferential and 17½ per cent general tariff are now shown for specified agricultural implements and for a wide range of mining machinery and equipment, without higher suspended rates formerly provided for.

Articles formerly dutiable at 20 per cent British preferential and 40 per cent general tariff, but now rated at 25 per cent and 50 per cent under the respective tariffs, include sweetened or fancy biscuits, cordials and syrups, pianos, unspecified musical instruments, soap (except laundry), and spark plugs. The same alteration of rates also applies to the item for goods "not otherwise enumerated" in the tariff, which covers a considerable variety of commodities.

Rates are increased by varying amounts on ale and beer, spirituous drugs, perfumes, spirituous essences and mixtures, wines, tobaccos, oils and rice.

Canadian goods, accompanied by the prescribed certificate of origin, and shipped in accordance with Fijian regulations, are entitled to entry at British preferential tariff rates. The general tariff rates apply to goods from all countries outside the British Empire.

Cuba

SEED POTATO IMPORTS

Mr. C. S. Bissett, Canadian Trade Commissioner in Havana, writes that a Cuban decree published November 23, 1940, provides for free entry of the following varieties of potatoes for use as seed: Bliss Triumph, Green Mountain, Irish Cobbler, President (Never Rot), Katahdin, Earline, Sebago, Houma, Pontiac, Chippewa, White Bliss Triumph. Previously the list of potatoes permitted free entry as seed contained only the first five of the foregoing varieties. In order to qualify for free entry, imports must be made between September 1 and January 31, inclusive.

Iceland

INVOICES AND OTHER DOCUMENTS CONCERNING IMPORTED GOODS

The Icelandic Customs Tariff Act, the Consul for Iceland in New York advises, requires the consignee to furnish the customs authorities with a duplicate invoice of goods to be cleared. The invoice is to be dated, signed by the seller himself or his fully authorized representative, and should give the following information:—

(1) Description of the article together with such commercial term as is usually applied in its sale and purchase, provided such term gives information as to the nature of the article or of what it is composed. If the commercial term does not contain information on one of these points it is to be supplemented by information about one of them. As regards textiles, yarns, drapery goods, clothing and clothing goods, the invoices should always contain specification of the nature of the materials used and contingently the proportions of such materials.

(2) Price of each kind of goods, both the price of each item and the total value. All the items of the invoices are to be totalled and the grand total distinctly stated. If discount or some other allowance is granted, it shall be specified in the invoices and the reason why it is granted, e.g. on account of the depreciation of the Icelandic krona in proportion to foreign currency (currency discount, currency bonus), for cash payments or payments within a certain period, or other occasional discount, such as discount on specially large scale purchases or traders' discount which is usually on invoices deducted from the gross or listed prices when sold here in lots.

- (3) Net weight of each article.
- (4) How the goods are sold, e.g. c.i.f. Reykjavik.
- (5) When the sale was effected.
- (6) Terms of payment and other conditions of sale.
- (7) In what currency the prices are calculated on the invoices.
- (8) Number and gross weight of items, cubic measurements for timber.
- (9) Kinds, marks and numbers of packings, or marks and numbers of article if without packings.

If the sale of goods to Iceland has not been definitely effected, or if they are imported by branches, agents, or trade representatives of firms or factories or other persons abroad, the duplicate invoice shall be furnished with a declaration from the party on whose account the goods are sent to Iceland to the effect that the invoice prices are not lower than the current wholesale market prices in the place and at the time of despatch for identical or similar goods in corresponding quantities for export.

The consignee is required to produce to the customs authorities, bills of lading, despatch notes and other documents for all the expenses not covered by the invoices incurred through the exportation and sending of the goods, e.g. cost of packings and freight, insurance, forwarding and other expenses on account of the sending of these goods in the country of purchase abroad as well as of sending them from there to Iceland.

If the consignee does not produce the said documents of confirmation, or if the duplicate of the invoice produced is not made out in the manner prescribed above or does not contain the particulars stipulated above, the ad valorem duty will be calculated on the dutiable price decided on plus an additional charge of 25 per cent.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING DEC. 2, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, December 2, 1940, and for the week ending Monday, November 25, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Nov. 25	Nominal Quotations in Montreal Week ending Dec. 2	Official Bank Rate
Finland	Markka	.0252	\$.0216	\$.0213	4
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Hungary	Pengo	.1749			
	Official		.3227	.3227	4
	Free		.2194	.....	—
Yugoslavia	Dinar	.0176	.0249	.0249	5
Portugal	Escudo	.0442	.0443	.0443	4-4½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2644	.2644	3½
Switzerland	Franc	.1930	.2573	.2575	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2264	.2268	3
Jamaica	Pound	4.8666	4.4800	4.4800	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2608	.2609	—
Brazil	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0557	.0557	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6327	.6329	4
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4382	.4382	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.6000	4.6000	—
China (Shanghai)	Dollar	.....	.0647	.0641	—
Hongkong	Dollar	.....	.2625	.2598	—
India	Rupee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2602	.2602	3.29
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5760	3.5760	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.	Guelph, Ont.	Portage la Prairie, Man.
Halifax, N.S.	Kitchener, Ont.	St. Boniface, Man.
Quebec, P.Q.	Brantford, Ont.	Winnipeg, Man.
Montreal, P.Q.	Stratford, Ont.	Vancouver, B.C.
Toronto, Ont.	Woodstock, Ont.	New Westminster, B.C.
Chatham, Ont.	St. Mary's, Ont.	

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.	Peterborough, Ont.	Victoria, B.C.
Kingston, Ont.	London, Ont.	Prince Rupert, B.C.
Oshawa, Ont.	St. Catharines, Ont.	
Belleville, Ont.	Hamilton, Ont.	

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.	Winnipeg, Man.	Vancouver, B.C.
Montreal, P.Q.	Edmonton, Alta.	Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Foodstuffs—			
Canned Fish, Other than Salmon	688	Mexico City, Mexico.....	Agency.
Cocoa.....	689	Mexico City, Mexico.....	Agency.
Miscellaneous—			
Potato Starch.....	690	Mexico City, Mexico.....	Agency.
Curtains.....	691	Guatemala City, Guatemala.....	Agency.
Upholstery Tapestry.....	692	Guatemala City, Guatemala.....	Agency.
Toilet Paper.....	693	Tel-Aviv, Palestine.....	Purchase and Agency.
Kraft Paper.....	694	Tel-Aviv, Palestine.....	Purchase and Agency.
Duplex Cordboard for Cigarette Boxes.....	695	Tel-Aviv, Palestine.....	Purchase and Agency.
Mechanical Drafting Machines..	696	Johannesburg, South Africa	Agency.
Small Stationary Gas Engines, ½ H.P. to 10 H.P.....	697	Port of Spain, Trinidad....	Purchase and Agency.
Marine Gas Engines, 5 H.P. to 35 H.P.....	698	Port of Spain, Trinidad....	Purchase and Agency.
Plastics in Powdered Form.....	699	Mexico City, Mexico.....	Agency.
Virgin Mercury.....	700	Rhodes, Australia.....	Purchase and Agency.
Sodium Bichromate.....	701	Mexico City, Mexico.....	Agency.
Yellow Oxide of Iron.....	702	Guatemala City, Guatemala.....	Agency.

COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: M. B. PALMER. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: W. J. RIDDIFORD, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

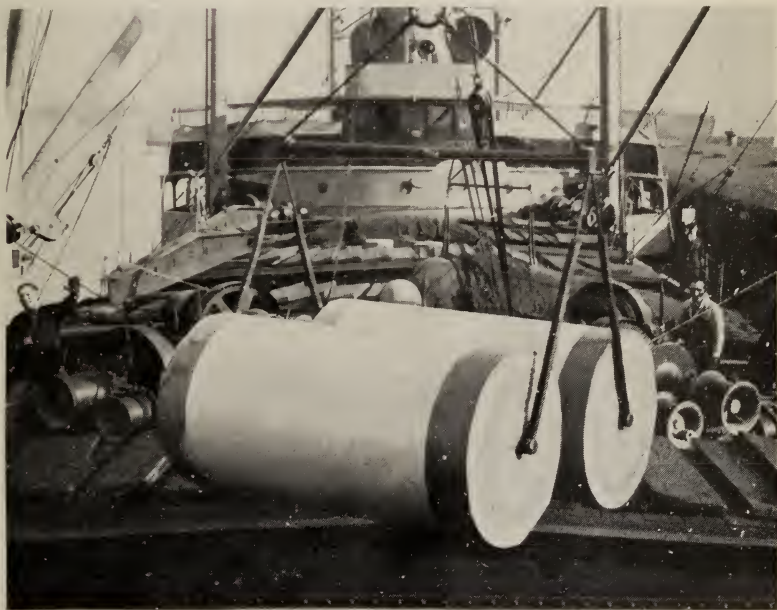
Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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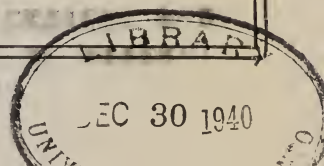
Unloading Canadian Newsprint at New York City Dock

ISSUED BY AUTHORITY OF

THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE

L. D. WILGRESS, DEPUTY MINISTER

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No. 1924

FOREIGN TRADE OF THE TWENTY LATIN-AMERICAN REPUBLICS

PREPARED BY THE EXTERNAL TRADE BRANCH, DOMINION BUREAU OF STATISTICS

Total imports into Latin-American countries in 1939 amounted in value to \$1,342,000,000. This was considerably more than the value of imports into China, India and Russia combined, although these three countries contain almost half of the world's population. About 25 per cent of Latin-American imports in a normal pre-war year came from Germany or from countries at present under German domination and now cut off from trading with countries on this side of the Atlantic.

PRINCIPAL IMPORTS

Latin-American absorption of the goods of other nations is particularly susceptible to fluctuations in world prosperity, mainly because capital goods for industrial, mining or railway investment form a large proportion of the imports of these countries. Machinery and parts, for instance, figure very largely in these imports. In Brazil the leading import item is machinery, apparatus and tools, and the third item in importance is miscellaneous iron and steel manufactures. In Chile the leading item is transportation equipment and the third item industrial machinery, apparatus and tools. In Peru and Colombia machinery and vehicles lead. In Mexico automobiles have been the most important import in recent years. As an instance of the fluctuations in individual items, Mexico bought \$17,000,000 worth of automobiles and trucks in 1937 and only \$6,000,000 worth in 1938.

Consumer goods, however, also have a prominent place in the South and Central American trade picture. In the imports of Argentina, cotton textiles are second only to fuel and oil and iron and steel manufactures. In Cuba cereals and flour form the leading import item, followed closely in most recent years by cotton and its manufactures. In Nicaragua, Costa Rica, El Salvador, Haiti, and Bolivia, textiles, principally cotton, head the list of imports. Canadian industry could supply part at least of the requirements of all these countries. On the other hand, there are a few countries whose major import requirements Canada would have difficulty in filling. For example, five of the first six commodities imported into Uruguay are sugar, crude petroleum, coal, naphtha, and fuel oil, none of which are native to Canada.

Brazil occupies almost as large an area as Canada and has four times Canada's population. Her wealth is chiefly agricultural. Coffee is the greatest single crop and Brazilian production constitutes three-quarters of the world's supply. The second largest item of export is cotton, in which considerable expansion in recent years has brought Brazil to the position of fifth heaviest producer in the world. The third crop is maize, the entire supply of which is taken up by the domestic demand. Brazilian production does not compete with Canadian in these nor in the next three most important agricultural products, rice, sugar, and oranges. Brazilian manufacturing is not yet of great importance. Iron and steel production has increased recently but facilities for processing in

almost every line are inadequate to supply the domestic demand. Purchases of iron and steel products from Germany and territories now occupied by Germany in 1938 amounted in value to nearly \$100,000,000.

Argentina is similar to Canada in some respects. Her population is only slightly larger than Canada's and is predominantly of European stock. Argentina has a democratic form of government and an advanced educational system. However, Argentina has about one-fourth the area of Canada and a larger part of it is occupied, fully 55 per cent being devoted to cereals and pasture. In manufacturing Argentina has about one-third the employees of Canada and one-third the output; she has no mineral industry apart from the extraction of petroleum; her timber supply is almost non-existent except for quebracho, the source of tannin, of which Argentina produces two-thirds of the world's supply. Exports of agricultural and live-stock products together account for 95 per cent of Argentinian exports as compared with about 35 per cent of Canada's.

Population, Area and Foreign Trade in 1939 of the Latin-American Republics

	Population	Area Square Miles	Imports Thousands of Dollars	Exports Thousands of Dollars
Argentina	13,129,723	1,079,965	309,021	363,246
Bolivia	3,457,000	419,470	24,237	42,851
Brazil	45,002,176	3,286,170	296,127	333,674
Chile	4,677,089	286,396	82,160	134,280
Colombia	8,701,816	439,828	104,819	101,169
Costa Rica	639,197	23,000	16,885	9,086
Cuba	4,227,597	44,164	105,862	147,676
Dominican Republic	1,655,779	19,325	11,592	18,643
Ecuador	2,921,688	*	10,173	11,341
El Salvador	1,744,535	13,176	8,850	12,750
Guatemala	3,284,269	48,290	15,296	16,935
Haiti	3,000,000	10,700	8,180	7,268
Honduras	1,038,061	46,332	9,703	9,867
Mexico	19,848,322	758,258	121,597	176,569
Nicaragua	1,133,572	57,143	6,365	8,301
Panama	573,351	34,169	20,464	3,487
Paraguay	1,000,000	169,266	7,731	8,075
Peru	6,762,881	*	48,088	71,707
Uruguay	2,122,628	72,153	32,655	50,632
Venezuela	3,491,159	352,170	101,810	298,871
Total	128,410,843	.....	1,341,615	1,826,428

* Exact area undetermined.

CANADIAN TRADE WITH LATIN AMERICA

Canada's trade with Latin America is small in comparison with her trade with other countries. In 1939, for example, Canada shipped to the Latin-American countries goods valued at \$18,000,000, or little more than 2 per cent of the Dominion's total exports for the year. In comparison over 7 per cent of the exports of the United Kingdom and 15 per cent of the exports of the United States have been consigned to Latin-American countries in recent years. Conversely 12 per cent of Latin-American imports in 1938 were from the United Kingdom, 35 per cent from the United States, 17 per cent from Germany, and imports from several countries far below Canada as trading nations exceeded Canada's share, which was slightly over 1 per cent.

Imports from Canada in 1937 constituted 2.6 per cent of the total imports into Peru, 1.7 per cent of those into Colombia and 0.02 per cent of those into Bolivia. Canada was in twentieth place among Brazil's suppliers and in fifteenth position in the important Argentine market, contributing only 0.3 and 1.3 per cent of all imports into Brazil and Argentina respectively.

The trend of imports from leading commercial countries into Latin America is of interest. Figures for 1938 as compared with 1910 show relative declines for the United Kingdom, France and Italy, and large increases for Japan and the United States; the share of Germany remained nearly the same.

Trade with Latin America has not always had even its present importance to Canada. In 1900 Canadian exports to seven important South American countries formed only 0·6 per cent of total Canadian exports. The percentage to the same countries rose to 0·7 in 1914, to 1·1 in 1921, and to 2·3 in 1930. Since then there has been a decline to 1·4 per cent. The long-period increase, particularly with regard to certain individual countries, has been noteworthy. Exports to Peru in 1939 were valued at \$1,200,000 as compared with only \$23,000 in 1900; to Venezuela, \$1,700,000 as against \$21,000; to each of Argentina and Brazil, over \$4,000,000 as compared with less than \$500,000.

The Latin-American nation standing highest in the list of Canada's customers in 1939 was Brazil (\$4,407,000), which ranked fourteenth. Argentina was eighteenth (\$4,117,000); Mexico, twentieth (\$3,004,000); Colombia and Venezuela, twenty-fifth and twenty-sixth (\$1,781,000 and \$1,702,000, respectively).

INCREASE IN 1940

Canadian exports to the twenty Latin-American Republics have shown a marked increase in the ten months ended October, 1940, as compared with the ten months ended October, 1939. According to Canadian trade figures, the aggregate value of exports to these countries was \$21,000,000 in the 1940 period as against \$15,000,000 in that of 1939. The comparative figures for each country are shown in the following table:—

Exports from Canada to the Latin-American Republics

	Exports	
	Ten Months ended October 1939	1940
Argentina	\$ 2,801,923	\$ 4,741,445
Bolivia	90,589	196,619
Brazil	3 097,624	4,145,397
Chile	766,540	1,204,462
Colombia	1,476,800	1,250,199
Costa Rica	109,110	165,933
Cuba	1,162,696	1,504,842
Dominican Republic	100,920	160,432
Ecuador	35,565	107,874
El Salvador	55,945	167,432
Guatemala	141,247	171,621
Haiti	97,054	109,707
Honduras	177,049	100,176
Mexico	2,228,188	3,422,497
Nicaragua	69,154	109,587
Panama	211,204	447,166
Paraguay	1,485	13,110
Peru	965,258	1,356 240
Uruguay	92,303	474,808
Venezuela	1,409,735	1,350,081
Total	\$15,090,389	\$21,199,628

Argentina took the place of Brazil as leading Latin-American customer for Canadian goods in the first ten months of this year, exports to Argentina increasing by 70 per cent in value. Those to Brazil increased by 34 per cent. The value of exports to Mexico, which normally ranks third among Canada's Latin-American customers, was up by 54 per cent. Shipments to two important countries, Colombia and Venezuela, showed declines.

These figures indicate that Canada has begun to take advantage of the enlarged opportunities for trade which South America now offers. At the same time, trade with South America still represents a small part of Canada's export trade and a wide field of possibilities awaits further cultivation by Canadian exporters.

to £3,088,291. Smaller increases were shown for "other" textiles, apparel, and footwear. In this group the most noteworthy changes were reductions in exports of vehicles from £1,921,268 to £1,570,248, and of cotton yarns and manufactures from £4,215,843 to £3,836,784.

RE-EXPORTS

The value of re-exports from the United Kingdom in September was £1,191,742 as compared with £1,391,968 in August, a reduction of £200,226. This is accounted for mainly by smaller exports of undressed hides.

UNITED KINGDOM TIMBER SUPPLIES IN WARTIME

FROM *The Times* TRADE AND ENGINEERING

The severe restriction of United Kingdom supplies of softwoods from the Scandinavian and Baltic ports resulting from war made drastic control of reserve stocks essential. Requirements for military camps, A.R.P. and other services reduced the quantities available for ordinary civil purposes to a minimum. Fortunately the forests of Canada, particularly of British Columbia, have during the last few years been furnishing Great Britain with increasing shipments of timber and, in so far as ocean transport difficulties are progressively overcome, a substantial and expanding contribution of excellent timber from the Dominion may be expected to meet the deficit caused by the interruption of imports from European sources.

Canada's timber reserves are enormous and her lumbering industry, which accounts for more than one-fifth of the value of her total exports, is prepared to meet Great Britain's needs in woods for all ordinary purposes. Already Britain is the largest buyer of the Dominion's timber.

SOFTWOODS

Of Canada's forest trees the most important and commercially valuable is the white pine, the wood of which is soft and easily worked. The red pine is harder and more resinous, while the spruces yield the best paper pulp. One of the outstanding characteristics of Canadian white pine, after its smooth working quality and uniform texture, is its low shrinkage, on account of which it is used extensively for patterns and window and door frames. For carved panels and for cabinet work it is excellent. Canada possesses several species of spruce, including white, red, black and Sitka. Most of these woods have an elasticity superior to that of the spruces of Northern Europe. Sitka spruce has been used in the construction of aeroplanes.

The Douglas fir is the most valuable of the trees of British Columbia and is followed by Western red cedar. Douglas fir, also known as British Columbia pine and Oregon pine, is very strong in relation to its weight and is used in heavy constructional work. Western red cedar is straight-grained, soft and light, and varies in colour from a pinkish-red to a deep-warm brown. It has exceptionally good working qualities and takes a smooth satin-like finish.

Hemlock is an important tree which grows in the Maritime Provinces of Canada and in Quebec and Ontario, where the wood serves a number of purposes, while the bark finds a market for tanning and for the manufacture of hemlock tanning extract. Western hemlock is harder than spruce, makes excellent flooring, and is admirable for panelling and interior decoration.

PLYWOOD

Plywood has been imported into Great Britain in very large quantities, mainly from Finland and the Soviet Union, and also from Poland and Japan.

Total imports were nearly 16,000,000 cubic feet in 1937, a year of exceptionally heavy timber imports. This was followed by a considerable reduction in 1938—namely, to 11,000,000 cubic feet. One of the largest plywood mills—it claims to be the second largest in the world—is operated in British Columbia on the Fraser river. Plywood can be easily shipped and occupies far less cargo space than an equivalent quantity of hewn or sawn timber. The need for careful allocation of shipping space in wartime favours the importation of plywood. In British Columbia small trees and second-growth timber, it is stated, can be used for plywood. Hemlock, which has hardly yet been touched in British Columbia, also is suitable, as well as pine.

RAILWAY SLEEPERS

United Kingdom imports of railway sleepers from Canada have risen rapidly during the last few years from 10,943 standards in 1936 to 37,064 standards in 1937 and 29,282 standards in 1938. In that period the proportion derived from Canada rose from 12½ per cent to 25 per cent. Creosoted railway sleepers of Douglas fir are a valuable specialty of British Columbia.

HARDWOODS

Canada is already our leading supplier of hardwoods other than teak and mahogany, the United States taking second place. The principal hardwood shipped to this country from Canada is birch, that from the United States being mainly oak.

Other Canadian hardwoods are maple, ash, beech, and hickory. Maple is a strong, stiff wood which serves for flooring and rollers. Yellow birch is used for plywood and also for flooring.

Plentiful sources of supply of other hardwoods are available throughout the Empire. Teak is essential to the British shipbuilding industry, which is working at full pressure. Most of the teak timber comes from Burma. Many of the eucalyptus trees of Australia yield timber for constructional work and flooring. Jarrah and Karri are two of the strongest and most durable of these. Jarrah is suitable for bridges, wharves, and jetties. Karri can be got in larger sizes than Jarrah, though it is not quite so durable. Both are remarkably fire-resistant. Certain timbers from Malaya and British North Borneo are exceptionally free from defects. White Seraya is used for ships' decking and in railway wagons. Borneo camphorwood and red Seraya are employed for flooring and constructional work. British Guiana is the chief source of supply of greenheart, well known to anglers as the wood from which the best fishing rods are made. Greenheart's more important use is for wharves and piles, owing to its resistance to marine borers. It has extraordinary durability and strength.

WAR-RISK INSURANCE ON SHIPMENTS TO IRELAND

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Dublin, October 31, 1940.—Many complaints have recently been received in this office from local merchants concerning the high rate for war-risk insurance that has been charged on goods bought by them for shipment from Canada. The most recent instance concerned a consignment of hosiery by parcel post; according to the invoice received, the goods cost \$380.25, while for insurance the charge was \$111.46. Since there is no uniformity of routing, and since some Canadian shippers are apparently not familiar with the requirements for transporting goods to Eire at the most favourable rates, the following notes should tend to obviate this unnecessary cause of friction between buyers and sellers.

GOVERNMENT RATES

Although, fortunately for importers in Eire, losses at sea of goods for Ireland have been relatively light to date, Eire merchants are not ordinarily favoured with a cheap government rate of war-risk insurance as are other British importers. The United Kingdom Government war-risk rate for goods shipped from the American continent to British ports is 60s. per £100, with a further rate of half that amount for transit from West Coast of the United Kingdom (or Belfast) ports to Ireland, including transshipment. In practice there is no actual transshipment of the goods at United Kingdom ports if shipments are by Head Line steamers or by other irregular sailings with Dublin as a stated port of call *after* a call at any of the above-mentioned ports. There is, therefore, no need for agency or other charges at such ports.

In order to obtain this cheap war-risk insurance rate, it is necessary that shippers designate this particular routing, and that two bills of lading be made out, one to cover the shipment as far as the United Kingdom port and one to cover re-export to Dublin or other port in Eire. Failing this, it is preferable to arrange that importers in Eire provide their own insurance, in which case it might frequently be desirable for the shippers, except when dealing with purchasers of long standing, to protect themselves by selling on letter-of-credit terms. By arrangement between the governments of Eire and the United Kingdom, merchants in Eire obtain their dollar exchange with little difficulty, although with some delay, and there is now no good reason why such terms should not be requested by Canadian exporters, provided they express their willingness to allow a reasonable discount to cover the purchaser's outlay and provided the buyers are assured that the goods will be up to sample or otherwise of good merchantable quality. Claimants in Eire for loss under the United Kingdom war-risk insurance scheme advise that, while there is the usual multiplicity of forms to be filled in, the delay in settlement is, on the whole, not unreasonable in comparison with that experienced in dealings with regular marine insurance companies.

CREDIT SITUATION

Credits may be established in Canada through Dublin banks, whose Canadian correspondent banks will release the funds against shipping documents. The general credit situation in Eire is good, there having been until recently no reputable firm in financial difficulties. However, money is scarce, and many good merchants find difficulty in buying much of their stock on letter-of-credit terms. Shippers are, therefore, strongly advised, when incurring insurance charges, to ensure that their customers are satisfied that they are not being compelled to pay more than is necessary. To this end they should consult with their agents in Eire and inquire from any of their local insurance companies that may have been appointed to represent the British war-risks office of the Board of Trade or from the nearest British Trade Commissioner in Canada the exact terms under which they may most inexpensively insure their shipments to Dublin against war risks.

CURRENT RATES

The current war-risk open market insurance rate is 20 per cent, subject to a rebate of 50 per cent of the premium paid if the goods are sent in a ship coming in convoy, not calling at any Atlantic islands (Azores, etc.), proceeding via the north (not south) of Ireland route, and provided the shipment arrives safely. This rate is for specified goods only, e.g. grain, timber, essential oils, etc., as per a list not available here. Lloyd's, however, quote much keener rates than this, but these vary from time to time, sometimes daily, and depend on the ship carrying the goods and on the general risk situation. For example, the rate on a shipment of meal was quoted to-day at $7\frac{1}{2}$ per cent, but as low as 5 per cent has been quoted since the beginning of the war.

NEW ZEALAND WOOL INDUSTRY

C. B. BIRKETT, ASSISTANT TRADE COMMISSIONER

Auckland, November 1, 1940.—From data now available a fairly reliable estimate has been made of New Zealand wool production for the season 1939-40, and figures have been issued showing the exports, local consumption, and production for the year ended June 30, 1940.

PRODUCTION AND STOCKS

As usual and in accordance with international practice, production has been computed on a greasy wool basis. Scoured wool has been converted on the basis of 100 pounds equals 138·2 pounds greasy. Wool exported on skins has been taken at an average of 4 pounds per skin.

The total estimated production of wool for the past season is 310,000,000 pounds as compared with 327,700,000 pounds in 1938-39 and 296,000,000 pounds in 1937-38. This year's figure is well above the average for the last ten years. Of the 310,000,000 pounds, 292,900,000 pounds were exported, of which 8,200,000 pounds represented wool on skins. Local mills consumed 10,400,000 pounds, and the remainder went to increase stocks held.

The stock position at June 30 last is given as 43,300,000 pounds in the grease as compared with 36,000,000 pounds at June 30, 1939, and 43,300,000 pounds at the same date in 1938. The present total compares closely with the average for the past five years and is well below figures for 1935 and 1932, which stood at 84,600,000 pounds and 112,600,000 pounds respectively. The holdings are made up as follows: greasy wool, 14,052,906 pounds; scoured, 5,721,471 pounds; slipe, 10,184,721 pounds; crutchings, 8,091,638 pounds; and wool on skins, 931,666 pounds.

MILLING

The year 1939-40 marked a substantial rise above the previous season in the quantity and value of production of woollens. Comparative figures issued recently show that values rose from £(N.Z.) 951,636 in 1939 to £1,461,753 in 1940. Activity in the 1938-39 season was at a low level, the production value being well under the £1,258,319 recorded for 1937-38.

The cost of materials used by the mills during the last three years is shown in the following table:—

	Greasy Wool £ (N.Z.)	Other Materials £ (N.Z.)	Total £ (N.Z.)
1937-38	483,495	120,051	603,546
1938-39	312,169	65,816	377,985
1939-40	504,538	104,818	609,356

"Other materials" comprise scoured wool, dyes, water, yarn, rags, oil, soap, alkali, artificial silk and sundries.

The quantity of greasy wool used in 1939-40 shows an increase of 57 per cent as compared with 1938-39, while the value increased by 62 per cent.

Output of principal products during the past three years is as follows:—

	Tweeds and Cloths Yds.	Flannel Yds.	Blankets Prs.	Shawls and Rugs No.	Yarn Lbs.
1937-38	1,352,088	714,174	164,680	77,603	791,115
1938-39	1,251,022	601,479	135,122	50,384	652,962
1939-40	1,915,010	1,186,940	209,721	32,387	1,017,095

All the chief products except shawls and rugs recorded increases in quantity and value for 1939-40 as compared with the previous year: tweeds and cloth, 53 per cent in quantity and 64 per cent in value; flannel, 97 per cent in quantity and 85 per cent in value; blankets, 55 per cent in quantity and 51 per cent in value; yarn, 56 per cent in quantity and 71 per cent in value.

1940-41 SEASON

New Zealand has had an extraordinarily mild winter and all classes of stock have come through in good condition. The lambing season has been the best for many years. Under these conditions wool production is fully expected to equal, if not better, last season's figures.

On April 30, 1940, the total number of sheep in New Zealand stood at 31,051,000, a reduction of about 846,000 from the previous season's count. The percentage of breeding ewes to the total sheep, however, is higher at 63 per cent than it has ever been, and it is expected that the downward trend in sheep population since the record total of 32,379,000 in 1938 will soon be reversed.

As it will be recalled, Great Britain at the outbreak of war contracted to purchase for the duration of the war and twelve months thereafter the entire New Zealand wool clip less the quantities required for local consumption. The average price to be paid is fixed at 12½d. (N.Z. currency) per pound, a price which is regarded with satisfaction by the New Zealand farmers. There can be little doubt that in the open market current wool prices would be hardly two-thirds of the fixed price, which is above the past nine-year average and higher than that for any individual year over that period with the exception of 1936-37.

At the request of the British Government, the opening of the ensuing wool season has been advanced, the Auckland district first appraisal having been completed as early as October 27, when 6,000 bales were dealt with. This number represents a much larger quantity than is usually available at this time of year and reflects the very favourable conditions under which shearing has been carried on. The indications are, therefore, that as the season goes on plentiful supplies will continue to become available.

TRADE OF CEYLON, JANUARY-SEPTEMBER

(One rupee equals approximately \$0.33 Canadian)

According to the Ceylon Customs Returns, recently received, total exports from Ceylon during the first nine months of 1940 had a value of Rs.282,224,152 as compared with Rs.224,520,684 in the corresponding period of 1939, an increase of Rs.57,703,468. Imports were valued at Rs.213,659,866 for the January-September period of this year as against Rs.181,045,972 for that of last year, an advance of Rs.32,613,894. There was a consequent increase in the excess of total exports over imports to Rs.68,564,286 from Rs.43,474,712 in the 1939 period.

The comparative monthly totals, as presented in the Customs Returns, show increases in the value of imports as compared with 1939 in each month of 1940 except July. In the case of exports there were increases in every month.

Cumulative totals of quantities and values of commodities imported are no longer shown in the Customs Returns. For the month of September the value of imports by main classes was: food, drink and tobacco, Rs.10,988,407 (Rs.10,860,575 in September, 1939); raw materials and articles mainly unmanufactured, Rs.2,884,603 (Rs.2,697,263); articles wholly or mainly manufactured, Rs.7,818,084 (Rs.6,666,132).

UNITED STATES CROPS IN 1940

J. P. MANION, ASSISTANT TRADE COMMISSIONER

New York, December 4, 1940.—The United States Department of Agriculture has recently released a general crop report which includes estimates of 1940 production as of November 1, 1940.

This shows no noteworthy changes but indicates a healthy situation in United States agriculture as a whole. There have been no crop failures and,

although normal crops of wheat, cotton and tobacco, which depend on foreign markets for partial distribution, have added to the carryover and weakened the prospects of long-term price stability, the farmer has benefited from the present equilibrium.

Only three outstanding advances in production were recorded. Production of flaxseed, peanuts and soybeans is far above the 10-year average, although soybean production is not quite as great as last year's.

CORN, COTTON, WHEAT AND TOBACCO

Of the four outstandingly important United States crops—corn, cotton, wheat and tobacco—production has not varied greatly from normal. The wheat crop is estimated at 792,332,000 bushels as against 754,971,000 bushels in 1939 and an average for the period 1929-38 of 754,685,000 bushels. This year's production is, therefore, nearly 40,000,000 bushels above the average but, were it not for a large carryover, would have little adverse effect on conditions over a long term.

Corn production is estimated at 2,433,523,000 bushels as against 2,619,137,000 bushels in 1939 and a 10-year average of 2,299,342,000 bushels.

The cotton crop is estimated at 12,772,000 bales of 500 pounds as against 11,817,000 bales in 1939 and 13,547,000 bales over the 10-year period 1929-38. Since annual exports of cotton under normal conditions vary between 5,000,000 and 6,000,000 bales, the curtailment of export outlets due to the war necessitates the carrying over of a large part of this crop, as internal consumption is generally about 6,500,000 bales and should be no more than 8,000,000 bales when present national defence exigencies are taken into account.

Tobacco production this year is estimated at 1,319,946,000 pounds as against 1,848,654,000 pounds in 1939 and a 10-year average of 1,360,661,000 pounds. Although the present crop is slightly lower than average and much lower than last year's, here again changed conditions affecting export markets should have a great effect on the long-term trend, due to excessive carryovers. Under normal circumstances, the United States annually exports slightly over 400,000,000 pounds of tobacco, or one-third of the average crop. Practically the whole of this amount will be added to carryover during the current year.

SUGAR CANE AND SUGAR BEETS

Other farm products of importance are sugar cane and sugar beets. Total production of cane this year is 4,980,000 tons as against a heavy crop of 6,197,000 tons in 1939 and a 10-year average of 4,439,000 tons. Total production of sugar beets was 11,633,000 tons as against 10,773,000 tons in 1939 and 8,937,000 tons over the 10-year period. Taken together the production of raw sugar is not much higher than average, although 1939 production may have been slightly higher.

SECONDARY CEREAL GRAINS

Of secondary cereal grains, the production of oats, at 1,218,273,000 bushels, is higher than both the average and the 1939 crop, average crop figures being 1,024,852,000 bushels and the 1939 production 937,215,000 bushels. Barley production has also increased to a considerable extent, from a 10-year average of 225,486,000 bushels to 276,298,000 bushels in 1939 and 308,021,000 bushels this year.

Rye and buckwheat productions, however, have both fallen off, rye to 37,452,000 bushels (38,095,000 bushels over 10 years and 39,249,000 bushels in 1939) and buckwheat to 5,904,000 bushels (7,617,000 bushels over the averaged period and 5,739,000 bushels in 1939).

The production of grain sorghums reached 122,949,000 bushels, far greater than the 1939 production of 83,102,000 bushels and the 10-year average of 84,148,000 bushels.

OIL SEEDS

Interesting developments are the heavier crops of flaxseed, soybeans and peanuts, all of which have greatly increased over the 10-year average. Production of flaxseed is 30,629,000 bushels (20,330,000 in 1939 and 10,846,000 for the 1929-38 average); that of soybeans is 79,198,000 bushels (87,409,000 in 1939 and an average of 27,318,000 over the period 1929-38); and that of peanuts 1,574,315,000 pounds (1,179,505,000 in 1939 and an average of 1,035,243,000 over the 1929-38 period).

HAY AND POTATOES

In 1940 the United States had one of the best hay crops in recent years, 84,504,000 tons of tame hay and 8,927,000 tons of wild hay being harvested. This compares with 75,726,000 tons and 8,800,000 tons, respectively, in 1939 and averages of 69,650,000 tons and 9,298,000 tons, respectively, over the period 1929-38. The increases covered all classes, including clover, timothy and alfalfa.

The potato crop is also one of the largest on record, amounting to 393,-931,000 bushels as against 364,016,000 bushels last year and an average of 366,949,000 bushels for the period 1929-38.

Farm production was satisfactory this year, the only notable increases being in those crops where they are most needed—vegetable oil producers such as flaxseed, soybeans and peanuts. The exceptional crops of potatoes and hay should be easily absorbed, although they will have a detrimental effect on Canadian export trade in these products. Increasing carryovers of wheat, tobacco and cotton will undoubtedly have a depressing effect on future price trends.

MEXICAN MARKET FOR PULP

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, November 30, 1940.—There are four large paper mills in Mexico using pulp. In addition there are a number of smaller mills that purchase smaller quantities at regular intervals. The largest mill is the San Rafael, followed by the Loreto mill. The San Rafael mill consumes about 7,000 tons of bleached pulp annually, 5,000 tons of unbleached and 5,000 tons of kraft. The Loreto mill consumes 5,000 tons of bleached, 4,000 tons of unbleached and 4,000 tons of kraft.

The total consumption of bleached pulp in Mexico is about 20,000 tons annually, and the market for unbleached pulp amounts to from 13,000 to 14,000 tons annually. Besides the San Rafael and Loreto, the other largest consumers are La Aurora and the Coyoacán mills.

The Mexican market for kraft pulp amounts to roughly 11,000 tons annually, of which 8,000 tons represent the combined consumption of the mills of San Rafael and Loreto.

There is also a market in Mexico for limited quantities of mechanical pulp, the total demand being about 2,000 tons, and there is a small consumption of bleached soda pulp and bleached aspen sulphite.

Quite recently there has been a revival in imports of Canadian pulp into this area. Canadian exporters interested in the Mexican market are invited to communicate with the Canadian Trade Commissioner at Mexico City.

WHEAT AND FLOUR TRADE OF CENTRAL AND NORTH CHINA

M. T. STEWART, ACTING TRADE COMMISSIONER

Shanghai, October 30, 1940.—The wheat and flour trade of Central and North China was reviewed in a report published in *Commercial Intelligence Journal* No. 1866 (November 4, 1939). The following summary deals briefly with the present trading position only.

The North China market for flour and the Shanghai market for imported wheat continue to be important, and the requirements of both markets have been, and continue to be, met largely from Australia. The Australian Government has realized fully the necessity of keeping the country's wheat surplus down to controllable limits, and through their Wheat Board have set low prices and granted credit terms of payment which have enabled them to do substantial business in both wheat and flour. Under wartime conditions the buyers in this market would not take the risk of the usual terms of payment on or before shipment, since, although the cargo purchased might eventually arrive in Shanghai, political developments after shipments were made might cause them to be diverted to and discharged at some other port. In the event of this situation arising it would be entirely problematical when the buyer in Shanghai or Tientsin would obtain his cargo or cargoes, and possible deterioration meanwhile might be a serious matter quite outside the buyer's control.

Australia has been doing well in both wheat and flour shipments to this market. Since last spring 100,000 tons of flour have been purchased direct from the Australian Wheat Board on credit terms, the bulk of this flour being marketed in Tientsin and North China. This business was transacted by a large Japanese concern that has also bought within recent months nearly 100,000 tons of American export straight flour from Pacific Coast shippers.

FLOUR

In reviewing the appended import statistics, it should be noted that all the flour contracted for had not been shipped up to the end of August, the latest month for which figures are recorded. The North China Relief Commission has recently purchased a cargo of flour (approximately 8,000 tons) from the Australian Wheat Board with the Chinese \$1,500,000 set aside for this purpose from the Tientsin silver agreement, and this shipment is expected to arrive at Taku Bar about the end of October.

IMPORTS

Imports of flour into China proper, Shanghai and Tientsin in the years 1935 to 1939 and during the months of 1940 for which statistics are available follow:—

Imports of Flour into China Proper

	1935	1936	1937	1938	1939	Jan.-Aug. 1940
			Figures in	Short Tons		
Total	56,272	34,178	33,495	280,840	393,828	169,447
Australia	20,140	12,395	16,111	125,607	188,846	38,874
Canada	14,398	12,126	8,641	8,439	10,005	1,969
Formosa				231		
French Indo-China				75	58	
Hongkong			90	1,558	1,287	590
Japan	2,411	5,651	597	123,016	28,160	97,335
Korea				434	5,832	
Macao					87	
United States	19,021	3,846	7,887	19,391	158,596	25,424
Kwantung Leased Territory	64	78	131	1,989	649	815
Other countries	24	84	37	99	505	4,669

Imports of Flour into Shanghai

	1935	1936	1937	1938	1939	Jan.-Aug. 1940
			Figures in Short Tons			
Total	8,058	6,441	6,671	8,556	50,326	7,186
Australia	821	1,054	1,051	790	2,967	1,079
Canada	3,982	3,927	3,728	4,432	6,344	1,659
Hongkong	116	.....	24	103	54	15
Japan	89	.....	57	.....	4	.....
United States	3,045	1,446	1,794	3,215	40,690	4,433
Other countries	4	15	6	14	463	.....

Imports of Flour into Tientsin

	1935	1936	1937	1938	1939	Jan.-June 1940
			Figures in Short Tons			
Total	11,593	6,054	475	228,800	274,439	82,618

WHEAT

The Australian Wheat Board has been selling wheat to this market at £8 8s. sterling per ton (2,240 pounds), c.i.f. Shanghai, which includes $\frac{1}{2}$ per cent war-risk insurance and $\frac{1}{2}$ per cent commission. The Canadian prices for wheat and flour have been altogether out of line and, now that the export subsidy on United States wheat and flour has been withdrawn, no doubt their shippers will also find competition with Australian wheat exceedingly difficult, apart from the easy and attractive terms of payment offered by the Australian Government.

Australian wheat makes a very suitable flour for this market. Local millers consider No. 3 Manitoba to have about the same milling value, the strong mixing value of the Canadian wheat being given full credit; thus no premium can be demanded for Manitoba No. 3 over the price for Australian wheat.

IMPORTS

Following are import statistics of wheat into China proper and into Shanghai and Tientsin during the years 1934 to 1937, 1939, and for the months of 1940 for which figures are available; imports in 1938 were negligible:—

Imports of Wheat into China Proper

	1934	1935	1936	1937	1939	Jan.-Aug. 1940
			Figures in Bushels			
Total	17,047,869	19,099,985	4,283,007	1,578,379	17,126,402	4,317,082
Argentina	3,558,907	3,865,238	.....	.....	.....	.....
Australia	1,577,293	14,916,297	3,542,341	1,578,298	10,953,118	3,288,252
Canada	311,424	37,121	116,024	.....	33,264	.....
France . . . . .	.....	98,717	.....	.....	.....	.....
Germany . . . . .	.....	.....	315,333	.....	.....	.....
Hungary	279,411	.....	.....	.....	.....	.....
Japan	4,330	.....	.....	.....	.....	.....
Portugal . . . . .	.....	.....	309,283	.....	.....	.....
United States	11,316,103	177,078	3	.....	6,139,973	1,013,808
Other countries	399	5,533	22	81	47	15,022

Imports of Wheat into Shanghai

	1934	1935	1936	1937	1939	Jan.-Aug. 1940
			Figures in Bushels			
Total	14,968,367	16,523,408	4,065,864	1,084,167	15,491,813	3,914,753
Argentina	2,953,474	3,314,087	.....	.....	.....	.....
Australia	980,243	13,073,313	3,358,065	1,084,090	10,004,489	2,901,118
Canada	311,424	37,121	83,160	.....	33,264	.....
France . . . . .	.....	98,717	.....	.....	.....	.....
United States	10,443,638	.....	.....	.....	5,454,013	1,013,595
Other countries	279,587	169	624,639	77	47	40

Imports of Wheat into Tientsin

	1934	1935	1937	1939	Jan.-June 1940
		Figures in Bushels			
Total imports	332,119	156,907	357,965	1,141,774	402,050

DOMESTIC PRODUCTION

The Wheat crop of China in good years is very large, probably in excess of 1,000 million bushels, but the devastation and disorganization caused by more than three years of warfare has reduced production considerably below this figure, although the 1940 crop, in view of the circumstances, is regarded as comparatively satisfactory. In occupied areas the crops have diminished, but great progress has been made in the agricultural development of "Free China," which is one beneficial result of the Sino-Japanese hostilities. The farmer in the occupied areas operates under great difficulties, as the strict military control to which he is subjected prevents him from moving his wheat or other produce without great expense, and he is forced to sell locally at very unsatisfactory prices.

The Japanese control all the Chinese flour mills situated in the interior. They also control about one-third of the total-milling capacity in the neighbourhood of Shanghai outside the International Settlement, and they are increasing their percentage of the total. The Shanghai flour millers operating within the Settlement are in a peculiar position, resulting from the Japanese control of the hinterland, as the local wheat is largely prevented from reaching Shanghai, and the Shanghai millers must rely almost entirely on imported wheat for their restricted output. For their outlet for flour, the Chinese flour-milling concerns, in the two main important groups, are largely confined to the Shanghai market, as their export trade in flour to North China is made almost impossible by the Japanese trading restrictions, and the trade to South China ports is cut off by the Japanese blockade.

The consumption of flour is being seriously restricted by the high prices consequent on the collapse in the exchange value of the Chinese dollar and also owing to the general political state of the country. Stocks of flour in Shanghai are down to a relatively low level, estimated at approximately 1,500,000 bags as against, roughly, 6,000,000 bags a year ago, and it is reported that the Tientsin stocks are down to about 1,000,000 bags as compared with more than 5,000,000 bags a year ago. This marked reduction in stocks has been effected without any strong rise in retail prices, which is a fair indication of the decline in the consumption of flour brought about by the increase in prices and the general financial and political state of the occupied territories.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

IMPORT LICENSING: WET SALTED FISH

Mr. Frederic Hudd, Chief Canadian Trade Commissioner in the United Kingdom, cables that the British Board of Trade announce that the open general licence permitting importation of wet salted fish without the formality of individual licencees for each shipment has been revoked as from December 9.

Effective as from December 9, therefore, wet salted fish may not be imported into the United Kingdom except under separate licences covering specific shipments. The onus of obtaining the licence rests with the importer. As licenseable goods imported without a licence are subject to forfeiture, Canadian exporters are warned that no further shipments of wet salted fish should be made unless definite assurance is received from the importer that he has been able to obtain the necessary import licence.

Australia

TARIFF DECISIONS

Recent Australian customs decisions, as to the tariff classification and rates of duty on articles regarding which question had been raised, include the following:—

Bitstock drills and square tapered shank ratchet brace drills are free of duty under British preferential tariff and dutiable at 15 per cent ad valorem under general tariff (by-law under item 219C). Blacksmiths', wire, and straight shank or jobbers' drills, 5 per cent ad valorem under British preferential tariff, 20 per cent ad valorem under general tariff (by-law under item 434).

Mercerized sewing cottons, put up on reels exceeding 400 yards, are dutiable at 15 per cent ad valorem under British preferential tariff and 33½ per cent ad valorem under general tariff, both rates to increase as present Australian currency depreciation may be lessened (item 393C2).

The following articles are free of duty under British preferential tariff and subject to 15 per cent ad valorem under general tariff when imported for the purposes stated (item 404): Sardines, bristling and sild for the manufacture of fish pastes; uncovered round extruded rubber thread, and uncovered square-cut rubber thread in counts finer than 80 count, for the manufacture of covered rubber thread, elastics, elastic corset blanks, elastic corsets, and surgical hosiery; covered rubber thread with core of 75 count or finer, for the manufacture of hosiery, bathing costumes, and of surgical products such as anklets, armlets, belts, hosiery, knee caps and leggings.

Canadian goods under the above items, having the required content of Canadian and/or Australian material and labour, and shipped in accordance with Australian regulations, are entitled to British preferential tariff rates. Goods from all countries outside the British Empire are subject to general tariff rates.

IMPORT LICENSING OF LUMBER, DECEMBER 1, 1940, TO MARCH 31, 1941

With reference to the announcement on page 770 of the last issue (No. 1923) of the *Commercial Intelligence Journal* of the temporary withholding of licences for the importation of lumber into Australia, the Canadian Trade Commissioner in Sydney has cabled that the following restrictions will be in effect during the 4-months' period, December 1, 1940, to March 31, 1941:—

Imports of unsawn logs of Douglas fir, larch, and white fir (other than logs for use in the manufacture of plywood and veneers), and of undressed Douglas fir lumber (other than timber 12 by 6 inches and over for underground mining purposes and spars) will be reduced by 40 per cent below imports by the same importer from non-sterling countries during the base year ended June 30, 1939.

Hemlock and spruce of the above descriptions, also undressed lumber not less than 4 inches wide and 3 inches thick for making boxes, dressed lumber cut to size for making boxes, and lumber for making boxes and drying trays as prescribed by customs by-laws, are reduced by 50 per cent as from August 1, 1940, to March 31, 1941, by 75 per cent from April 1 to June 30, 1941, and by 100 per cent (i.e. no licences issued) from July 1, 1941.

Importations of dressed or moulded lumber, lumber tongued and/or grooved, and weatherboards, are prohibited; but for the purpose of establishing import quotas 60 per cent of base-year imports may be grouped with imports of the admissible types of logs, unspecified undressed lumber and timber for doors.

Importations of the following are reduced 100 per cent: Spars in the rough; undressed redwood and Western red cedar; undressed lumber cut to size for making boxes.

Each application for licence to import Douglas fir in sizes 12 by 6 inches (or its equivalent) and over for use underground for mining purposes will be dealt with on its merits.

The current licensing period for lumber includes the four months, December 1, 1940, to March 31, 1941. It is announced that subsequent licensing periods for lumber will be of three months each.

Newfoundland

SPECIAL WAR REVENUE TAXATION

New taxation in Newfoundland, announced by the Commissioner of Finance on November 30 and effective from midnight of that date, is reported in the St. John's *Daily News* of December 2 as including a Special War Revenue Tax of 7½ per cent ad valorem applicable to all importations from countries other than Empire countries within the sterling area. As Canada is not within the sterling area, the tax will therefore apply also to imports from Canada. It is proposed to exempt a number of articles from this tax, especially those

on which an increased tax was levied last July for war purposes, including sugar, manufactured tobacco and cigarettes, unmanufactured tobacco, gasoline and Acto, alcoholic beverages, cinematograph films, books, magazines and newspapers. Other exemptions are to include an unstated number of minor items of little or no commercial value such as settlers effects, as well as articles which are imported free of customs duty by certain industrial undertakings under special status. This tax, which is for the duration of the war, is expected to yield approximately \$750,000 for the remainder of the financial year ending June 20, 1941.

Other forms of taxation include an increase in War Surtax on incomes from 20 per cent to 30 per cent and on corporation profits from 25 to 50 per cent. The increase in the War Surtax on corporation profits will apply also to the tax payable in the case of landed estates and personal holding companies. In the case of fire insurance companies the basic rate of tax will be raised from 6 per cent to 8 per cent, with no change, however, in the War Surtax, which is at present 20 per cent. War Surtax on death duties will be raised from 10 per cent to 25 per cent for estates over \$5,000. These taxes, it is anticipated, will yield approximately \$100,000 for the remainder of the financial year.

The total yield of this new taxation will thus be \$850,000, which, it is announced, will provide the sum required to effect a balanced budget for the current financial year.

Argentina

EXCHANGE RATE FOR COLLECTION OF CONSULAR FEES

With reference to the notice in *Commercial Intelligence Journal* No. 1916 (October 19, 1940), page 563, Mr. Saul Aguilar, Consul General of Argentina in Ottawa, advises that the rate of exchange in force as from December 3, 1940, for the purpose of the collection of consular fees is \$26.94 Canadian per 100 Argentine paper pesos.

Haiti

TARIFF INCREASES ON WHEAT FLOUR, TIMBER AND CEMENT

Mr. Maurice Belanger, Assistant Trade Commissioner in Havana, writes that under a Haitian decree of October 21, 1940, effective the next day, the duties on imports into Haiti of wheat flour, timber and cement were increased as follows: wheat flour, from 0.25 to 0.30 gourde per kilogram (from \$2.50 to \$3.00 per 100 pounds); timber of common wood, hewn, split or rough-sawn into planks, joists, mast or beams, including railway sleepers, from 15.20 to 26 gourdes per cubic metre (from \$7.90 to \$13.50 per M feet); timber, planks, joists or beams of common wood, planed, tenoned, mortised, tongued or grooved from 18.50 to 29.30 gourdes per cubic metre (from \$9.60 to \$15.20 per M feet); Portland, Roman or similar cements, from 0.025 to 0.03 gourde per kilogram (from 25 to 30 cents per 100 pounds). The rates quoted are those of the Haitian minimum tariff, which applies to imports from Canada.

In addition to the foregoing duties there is in each case a surtax of 20 per cent of the duty.

El Salvador

REDUCED DUTIES ON ALUMINIUM MANUFACTURES AND ABSORBENT MATERIALS

Mr. A. B. Muddiman, Canadian Trade Commissioner at Mexico City, writes that a Salvadorean decree, effective October 12, establishes a tariff classification for aluminium frames for doors, windows, and blinds made principally of aluminium, whether provided or not with their respective accessories, and for aluminium mouldings for furniture and buildings, for which the rate is about \$10 per 100 pounds. For aluminium furniture, with or without parts

of other common materials the rate is about \$13.50 per 100 pounds; and for work for doors, windows and for finishing buildings, made principally of aluminium, with or without parts of other common materials, about \$25 per 100 pounds. Hitherto Salvadorean duties on manufactures mainly of aluminium were about \$58 per 100 pounds. The duties on wood fibres, prepared as absorbent material, such as "Kotex" cotton and all similar products, unmanufactured or in rolls, and sterilized absorbent cotton, formerly about \$21.60 per 100 pounds, and simple or medicated healing gauzes, healing bandages of all kinds and sanitary towels, formerly about \$34 per 100 pounds, are reduced to about \$7.50 per 100 pounds.

USE OF CABLE ADDRESSES IN MESSAGES TO TRADE COMMISSIONERS

The Chief Telegraph Censor advises that Canadian cable censors have been instructed to permit the use of the registered cable addresses (as shown in the list of Canadian Trade Commissioners on the last two pages of the *Commercial Intelligence Journal*) in messages from Canadian firms intended for Canadian Trade Commissioners.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING DEC. 9, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, December 9, 1940, and for the week ending Monday, December 2, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Dec. 2	Nominal Quotations in Montreal Week ending Dec. 9	Official Bank Rate
Finland	Markka	.0252			4
Great Britain	Pound	4.8666	\$.0213	\$.0213	
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Hungary	Pengo	.1749	.3227	.3227	4
Yugoslavia	Dinar	.0176	.0249	.0249	5
Portugal	Escudo	.0442	.0443	.0443	4-4½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2644	.2644	3½
Switzerland	Franc	.1930	.2575	.2576	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2268	.2268	3
Jamaica	Pound	4.8666	4.4800	4.4800	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2609	.2620	—
Brazil	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0557	.0557	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6329	.6333	4
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4382	.4382	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.6000	4.6000	—
China (Shanghai)	Dollar	.....	.0641	.0652	—
Hongkong	Dollar	.....	.2598	.2617	—
India	Rupee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2602	.2602	3.29
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5760	3.5760	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Woollen Cloth.....	703	Guatemala City, Guatemala.....	Agency.
Smokers' Pipes.....	704	Johannesburg, South Africa.....	Purchase and Agency.
Milk Cans.....	705	Mexico City, Mexico.....	Purchase and Agency.
Steel Springs, for Steel Roller Shutters.....	706	Glasgow, Scotland.....	Purchase.
Steel Profiles, for Steel Roller Shutters.....	707	Glasgow, Scotland.....	Purchase.
Conduits (Rigid Iron) for Electric Wiring.....	708	Lima, Peru.....	Purchase and Agency.
Lumber, Yellow Birch.....	709	Chicago, Illinois.....	Purchase and Agency.

COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: Acting Trade Commissioner. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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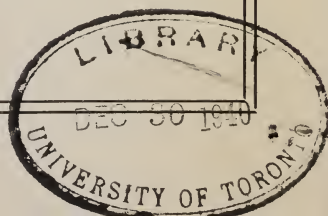


Unloading Canadian Spruce Lumber from Canal Boats at
Brooklyn, N.Y.

ISSUED BY AUTHORITY OF

THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE

L. D. WILGRESS, DEPUTY MINISTER



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Vol. LXIII

Ottawa, December 21, 1940

No. 1925

CANADIAN EXPORT TRADE IN NOVEMBER

PREPARED BY THE INDUSTRIAL RESEARCH BRANCH, DOMINION BUREAU OF STATISTICS

Total exports of Canadian produce in the month of November were valued at \$117,457,000, the highest value since November, 1928. Exports of some important commodities had double or more than double the values of the previous November; thus automobiles and parts stood at \$10,449,000 as compared with \$2,125,000, meats at \$8,906,000 as compared with \$4,517,000, furs at \$805,000 as against \$399,000. The important item of newsprint at \$13,348,000 gained over \$2,000,000 as compared with its value in November of the preceding year. Wood pulp gained a like amount to reach \$5,667,000. Such increases were not, however, universal through the list. The value of wheat exports dropped by a small percentage to \$13,547,000, that of fish fell over \$700,000 to \$2,137,000, and the export value of cheese was off by 50 per cent at \$1,306,000.

In the eleven-month period ended November, 1940, there was an increase of over 30 per cent in the total value of Canadian exports, excluding gold, as compared with the first eleven months of 1939. Exports of wheat flour, meats, automobiles and wood pulp all doubled in value, and those of many other items showed a substantial increase. In general, quantities increased somewhat less than values, reflecting increases in prices. This applies in particular to wheat, wheat flour, planks and boards, and wood pulp.

Among countries the greatest absolute increase has been in exports to the United Kingdom which in most months of the current year were more than 50 per cent greater by value than in the preceding year. In a comparison of the elapsed portion of the current year with the corresponding period of 1939, South Africa, British India, and Ireland are among the countries to which exports showed spectacular percentage increases. Exports to Japan were less than half their previous value. To countries now occupied by Germany, of course, there were no Canadian exports in November, and exports to these countries for the eleven-month period show declines of 50 to 100 per cent, depending on when they were conquered. How trade with allied and friendly countries has increased is indicated strikingly by the fact that, in spite of these losses, the total value of Canadian exports, when final figures for 1940 are available, will be about one-third higher than in 1939.

TRADE AND INDUSTRY OF THE UNITED KINGDOM, JANUARY-SEPTEMBER

FROM *The Chamber of Commerce Journal* (LONDON)

During the first nine months of 1940 the value of Britain's exports at £343½ million exceeded by nearly £7 million those of a year earlier, the chief increases occurring in chemicals, beverages, textiles, paper and cardboard, pottery and glass, electrical goods and cutlery and hardware. The nine months' import trade rose by £217 million to £872¾ million—an increase due almost entirely to the heavier imports received earlier in the year. Although imports have been reduced considerably in the last four months, the apparent adverse balance of trade is still about £17 million higher per month than in peace time. Re-exports for the nine months have fallen by nearly £15 million to £23¾ million.

Improvement in the unemployment situation continues, and the new returns show that on September 16 the number of persons wholly unemployed throughout the country was 613,671, which compares with 648,314 recorded on June 17.

The Board of Trade Index Number of wholesale prices (1930=100) for September (141) was about ½ per cent higher than in August, and compares with 134·4 for June. Food prices rose by about 3 per cent, as compared with August, but those of industrial materials and manufactures fell (by ½ per cent) for the first time since the outbreak of war. The aggregate increases since the outbreak of war were: General index, 44 per cent; food prices, 54 per cent; and industrial materials and manufactures, 38½ per cent.

COAL TRADE

There has been no important change and no improvement in the coal trade during the third quarter, and difficulties before the collieries give no promise of lessening. With so much of our export trade cut off by German occupation of the lands of our former customers little betterment in that direction can be expected at present. The real hope lies in some expansion of trade in other directions, but potential markets are not numerous. Eire, Spain, Portugal, and South America are about the only areas open for trade expansion.

The extent to which our coal trade has been hit by the war is clearly indicated by the Board of Trade returns. The July returns at £1,753,292 showed a decrease of £1,998,574, while August exports fell off by £1,751,663 when compared with the same month of 1939. For the eight months of the year export values totalled £21,494,667, against £25,407,144. As might be expected, our trade in coke and manufactured fuels fell away similarly, or in an even more marked degree. In June there was a decrease of £132,264; in July, £241,954; and in August, £395,000. The comparison was made worse by the fact that in the comparative months of 1939 there had been heavy stocking by purchases in the United Kingdom.

Needless to say, the home consumption is heavy in all parts of the country, but with the great decrease in export demand there is much surplus fuel. Stocking has been resorted to, and in July Mr. Grenfell, Minister of Mines, stated that the Government hoped to stock about 20,000,000 tons of coal by the winter, all strategically placed, and up to the present very considerable accumulations have been made

IRON AND STEEL

Despite air raid alarms, production of iron and steel is well maintained. The requirements for war purposes seem almost insatiable; yet the position of the industry is so satisfactory that, while the Iron and Steel Control will not

release tonnages to home consumers for unauthorized purposes, the aggregate value of iron and steel exports is on the average higher than in 1939. In fact, licences to export iron and steel have been granted more freely during the past two or three months by the Exports Control Committee

In the iron trade difficulties caused by the stoppage of imports of high-grade ores from Sweden and Northern Africa have been largely overcome. New sources of supply have been tapped, and, in addition, there has been a most encouraging expansion in the production of native ores, notably in the Midlands and Cleveland, where the increase compared with last year's figures is estimated at 60 per cent. Thus, it has been possible to keep the blast furnaces in full operation, and if consumers of pig iron have at times to accept delivery of other grades than those to which they are accustomed, deliveries in the aggregate suffice for current needs.

ENGINEERING

The drive for munition production continues to be the primary business of the engineering world, with the result that holidays were limited and annual fairs not held. Good progress has been made in the Ministry of Labour's scheme for training men for engineering work. The institution of aircraft "spotters" has been extended, so that many works now remain in operation during air raids.

The response to the call for the surrender to the Government of aluminium in the shape of pots and pans has been excellent even if it has proved somewhat embarrassing to the scrap metal trade. Incidentally, aluminium to the value of probably about £120,000 has been obtained from shot-down German planes. A further scheme is in hand for demolishing disused factories so that scrap may be recovered.

It is encouraging to note that a healthy export trade is being maintained, so that for the nine months ended September, 1940, the value of exports was upwards of £340,000,000

WOOL TEXTILE INDUSTRY

A further curtailment of the allocation of wool for home civilian trade and at the same time increased facilities for obtaining wool for export trade in yarns or fabrics, have been features of the policy of the Wool Control during the past quarter. It has been made clear that exporters of semi- or fully-manufactured goods can count upon raw material to enable them to fulfil overseas orders. In the matter of prices as well as supplies the advantage is with the exporter.

New issue prices for wool and tops were announced on September 13, and they showed an increase of 4 per cent in wool and 6 per cent in tops over the existing prices. For home civilian trade the new prices are to remain in operation from November 1, 1940, until February 28, 1941. That is the end of the next rationing period. The previous price list remains in force until December 31, 1940, for export trade in yarns, and until February 28, 1941, for export trade in fabrics.

The new prices are to be maintained for export trade in yarns from January 1, 1941, to April 30, 1941, and for export trade in fabrics from March 1, 1941, to June 30, 1941. The purpose of these extended periods of fixed prices for export business is to put exporters in a position to quote for delivery several months ahead, which is an important consideration . . .

The greater part of the export trade in wool tops and yarns in peace time is with Continental markets which are now inaccessible, and it is impossible

to find alternative markets for these goods. Only countries with machinery equipment are potential buyers of tops and yarns, and Canada is now the only really important outlet

Exports of woollen and worsted tissues for the seven months to the end of July have amounted to 56,384,000 square yards as compared with 56,008,000 square yards in the same period of the previous year. Exports of worsted yarns amounted to 8,317,000 pounds as compared with 14,232,000 pounds last year, and exports of tops to 19,896,000 pounds as compared with 24,571,000 pounds.

COTTON TRADE

The tendency towards more complete government control as a wartime emergency measure has left the whole of the cotton industry making adjustments under the necessity of working under conditions that would have been thought impossible in peace time. Raw cotton has become controlled in both prices and supplies; spinners, rationed in their use of certain growths, are having to devise new mixtures and standards of yarn; manufacturers are becoming increasingly aware of the two vital aims of their wartime life, to supply the Government's needs and to make cloth for export

CHEMICAL TRADES

Although the collapse of France in June and the intensification of hostilities in the Mediterranean area have had their inevitable influence upon export trade in chemicals and allied materials during the third quarter, the home market has continued generally buoyant, demand for the glass, plastics, leather, rubber, engineering, ceramics and pharmaceuticals industries remaining good. Somewhat reduced calls have been received from the textile trade, particularly the calico printing end, but the position is now improving

Exports of British-made chemicals and allied products, which were worth £2·48 millions in June, dropped to £2·14 millions in July, but registered a slight recovery to £2·20 millions in August. On the import side, the June total of £1·30 millions was followed by the £1·34 millions of July and the £1·62 millions of August. During the past six weeks or so, export trade, particularly to the Empire and the Latin-American countries, has been decidedly better with the availability of greater supplies of such products as chromium compounds, arsenic, barium chloride, etc., and a distinct recovery is expected to be shown by the September figures.

BUILDING TRADE

By the beginning of the September quarter most of the important civil building work that was in hand when the war started was completed. No large amount of new work in this category has since become available, and the industry is now occupied almost entirely by government contracts or work arising in some way or other out of the war. Coastal defence works, increased activity in providing air raid shelters and in meeting other A.R.P. requirements, together with repairing damage caused by air raids, have kept the industry busy during the quarter, with a consequent diminution of unemployment among the operatives

Under the Private Enterprise Building Control Order, which came into force on October 7, no work of building or civil engineering construction of a private nature at a cost exceeding £500 may be undertaken without the consent of the appointed regional officer—except works of maintenance, running repairs or decoration.

AUSTRALIAN WHEAT AND FLOUR

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, November 16, 1940.—The Federal Government has adopted a plan to be authorized under the National Security Regulations for the stabilization of production and prices in the wheat industry. This action the Government considers necessary because stability in the wheat industry is essential to the economic and social stability of Australia during the war.

STABILIZATION PLAN

Main features of the plan are a guaranteed price of 3s. 10d. per bushel f.o.b. ports for bagged wheat, the creation of a compensating fund between years of high and years of low prices, the licensing of growers who will be required to give an undertaking to sow only authorized acreages.

The deductions to bring the guaranteed price of 3s. 10d. per bushel f.o.b. ports to the siding basis will be approximately: Receiving and handling costs, 3d. a bushel; rail averaging, $4\frac{1}{2}$ d. a bushel; total, $7\frac{1}{2}$ d. a bushel. A fund will be created into which surplus market realizations will be paid in years of high prices to meet debits resulting from payments to the industry in years of low prices.

Surplus realizations overpaid above 3s. 10d. a bushel f.o.b. ports for bagged wheat (as indicated above) are to be dealt with as follows: the first 2d. of the excess will be paid to the producers in the year in which it is realized; the next 2d. will be paid into the fund; any further excess to be shared equally between the producers and the fund.

Wheat growers will make application for the registration of their properties and for licences for themselves. The application will contain an undertaking to adhere to conditions, of which the following will be the principal:—

The licensee will sow only the acreage authorized from year to year by the Government.

He will market through the Australian Wheat Board all wheat harvested as grown (during the war this is compulsory).

He will cut for hay in any year such acreage as might be directed by the Government. As required, he will furnish returns to enable the Government to investigate production costs.

The form of application for a licence will indicate that the Government guarantee is for 3s. 10d. per bushel in respect of a total marketed crop for Australia of not more than 140,000,000 bushels.

Provision will be made for the transfer of licences in respect of registered properties. It is not proposed that farms on which wheat is not now being grown will be registered in future as wheat-growing properties. The object of this is to confine the stabilization plan to farms and farmers at present growing wheat.

The stabilization plan will be administered by the Minister for Commerce with the assistance of a board, of which Mr. Clive McPherson (chairman of the Australian Wheat Board) will be chairman, and on which the Department of Commerce will have direct representation.

MARGINAL AREA RELIEF

The stabilization plan is to be associated with an acceleration of efforts to remove wheat growers from marginal areas, and to diversify production wherever possible. Up to the present the Commonwealth Government has

made £A1,000,000 available under the Wheat Industry Assistance Act. In the first year £A500,000 was utilized for drought relief. In the second year the money was made available to certain states for marginal area relief. All states have further marginal area proposals, regarding which the Commonwealth Government will co-operate and proceed to an allocation of £A1,500,000 still available under the Act, subject to the states being prepared themselves to provide the balance needed to complete the work. Continued provision of funds out of allocations agreed upon for marginal areas will be subject to the Commonwealth Government being satisfied that the states are making real progress in the effort to diversify production.

WHEAT SALES AND PRICES

It is reported that although wheat sales are regarded as satisfactory, the Australian Wheat Board's overdraft (originally £A34,000,000) is still substantial, amounting to £A13,900,000. Since the Board was constituted over a year ago 166,000,000 bushels have been sold; of this total, 149,000,000 bushels were of the 1939-40 season.

Approximate wheat export prices f.o.r. ports during the month of September in the years 1935 to 1940 were as follows: 1935, 40.30d.; 1936, 55.64d.; 1937, 60.47d.; 1938, 32.72d.; 1939, 29.93d.; 1940, 47.25d.

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, cabled on December 16 with regard to the wheat and flour situation in Australia as follows:—

The latest estimate of wheat production in the 1940-41 season is 90,000,000 bushels. There has been a further sale to Greece of approximately 3,700,000 bushels, but no other large-scale sale of wheat overseas lately. There are good prospects in Eastern markets, but business is handicapped by lack of shipping space. The price of wheat to millers for gristing into flour for shipment to Burma, Malaya, Asiatic territory as far north as Hongkong, East Indies and Mauritius has been raised 2d. a bushel by the Australian Wheat Board, that is to 4s. 2½d. (equivalent to 74 cents Canadian) for bagged and 4s. 1½d. (equivalent to 72 cents Canadian) for bulk. Otherwise official prices remain as quoted in the last cable. Stabilization plan envisaged by the Federal Government now guarantees 3s. 10d. (equivalent to 67 cents Canadian) a bushel bagged wheat f.o.b. ports for a maximum crop of 140,000,000 bushels. All handling and storage costs will be found out of this price, yielding approximately 3s. 2½d. (equivalent to 56 cents Canadian) to farmers at country sidings.

Current export quotations for flour are £9 5s. (equivalent to \$32.56 Canadian) per ton in 49-pound calico bags and £8 17s. 6d. (equivalent to \$31.22 Canadian) per ton in 150-pound sacks.

OVERSEAS TRADE OF AUSTRALIA IN 1939-40

During the fiscal year ended June 30, 1940, the total value of Australia's overseas trade, in British currency, was £231,944,072, according to the unrevised figures issued by the Commonwealth Statistician. This total compares with £196,345,725 in 1938-39, the increase in total trade thus being £35,598,347.

Both imports and exports contributed with substantial advances to the increase in total trade. Total imports were valued at £115,705,084 as compared with £99,313,150 in 1938-39, an increase of £16,391,934 or 16.5 per cent. Exports showed an even greater increase in value, rising from £97,032,575 in 1938-39 to £116,238,988, a gain of £19,206,413 or nearly 20 per cent. In consequence, there was a favourable commodity balance of trade for 1939-40 amounting to

£533,904 as compared with an unfavourable balance of £2,280,575 for the previous twelve months.

Statistics regarding the direction of trade are not being published, so an analysis of the trading position in relation to individual countries is not possible as in former years. However, the statistics on the exports and imports by main classes and by principal commodities, which are available except for gold and silver and bronze specie, afford interesting information on the trend of Australian trade during the period.

The following table shows the values of Australia's exports and imports by main classes in 1938-39 and 1939-40:—

Exports and Imports by Main Classes

	Total Exports		Total Imports	
	1938-39	1939-40	1938-39	1939-40
	Pounds Australian		Pounds Sterling	
Foodstuffs of animal origin	27,254,371	33,931,267	1,599,827	1,572,209
Foodstuffs of vegetable origin	25,603,409	25,990,166	3,957,780	4,593,116
Spirituous and alcoholic liquors	1,197,334	1,270,094	719,967	1,016,587
Tobacco and preparations thereof	355,077	283,525	1,863,887	1,924,146
Live animals	216,768	206,487	182,809	132,137
Animal substances, not foodstuffs	47,329,488	58,928,990	1,942,284	1,787,744
Vegetable substances and fibres	307,544	398,500	2,596,939	3,686,646
Apparel, textiles and yarns	669,038	858,360	17,756,098	24,587,227
Oils, fats and waxes	713,203	1,389,644	8,697,751	12,597,711
Paints and varnishes	178,254	175,516	580,745	729,332
Stones and minerals	2,671,210	2,397,783	900,904	1,112,558
Metals, metal manufactures and machinery .	10,058,763	13,715,354	31,274,421	33,035,394
Rubber and leather	756,159	1,484,364	1,689,598	2,332,393
Wood and wicker	1,109,554	1,016,877	2,079,981	1,995,200
Earthenware, cements, glass, etc.	219,123	168,569	1,861,974	1,915,948
Paper and stationery	493,392	421,348	6,185,576	7,249,755
Jewellery and fancy goods	182,082	138,704	1,431,605	1,482,061
Surgical and scientific instruments	384,713	390,189	1,600,583	1,743,470
Drugs, chemicals and fertilizers	765,841	1,063,494	5,598,553	6,006,533
Miscellaneous	1,067,977	1,360,103	6,791,868	6,204,917
Totals	121,533,300	145,589,334	99,313,150	115,705,084

EXPORTS

In terms of Australian currency (in which the values of exports are shown in the Commonwealth statistics), the total value of exports during the period under review was £A145,589,334 as compared with £A121,533,300 in 1938-39.

Chiefly contributing to this increase of £A24,056,034 were higher values for exports of three main classes of commodities: animal substances not foodstuffs, foodstuffs of animal origin, and metals, metal manufactures and machinery. Exports of animal substances not foodstuffs, which include chiefly hides and skins and wool, increased in value by £A11,600,000; those of foodstuffs of animal origin rose nearly £A6,700,000; and shipments of metals, metal manufactures and machinery were higher in value by almost £A3,700,000. Next in order were increases of £A728,000 for the rubber and leather group and £A676,000 for that of oils, fats and waxes, representing gains of over 96 and nearly 95 per cent, respectively. Smaller increases were recorded in eight other main classes, the percentage gain in four of these ranging from 20 to 30 per cent.

Decreases occurred in the exports of seven groups of commodities. None of these decreases was of large amount, the greatest being for the paper and stationery group, in which shipments fell off about £A72,000 in value to £A421,348.

As emphasized in various reports from Australia since the outbreak of war, published in the *Commercial Intelligence Journal*, the Commonwealth has

mobilized and organized her productive resources to produce for export those commodities most needed by the United Kingdom. The effect of this policy is clearly marked in the export figures for 1939-40, although this fiscal period includes slightly less than ten months of the war. For instance, the two main classes for which the greatest increases were recorded, as already noted, embrace important food and essential war products purchased in large quantities by the United Kingdom.

This trend in the export trade of Australia may be better gauged from the figures for some of the leading individual commodities in these two classes. Among foodstuffs of animal origin, exports of butter were valued at £A15,481,352, an increase of 20 per cent over 1938-39; those of cheese at £A1,438,874, a gain of 34 per cent; beef at £A4,821,175, up 12 per cent; lamb at £A5,354,089, an increase of 22 per cent; pork at £A1,560,896, 77 per cent; tinned meats at £A918,565, 83 per cent; mutton at £A727,601, 75 per cent; and bacon and hams at £A272,243, an increase of 126 per cent. In the group of animal substances not foodstuffs, still larger in value, exports of greasy wool were valued at £A46,935,557 as compared with £A37,408,391, and of wool, scoured and tops, at £A7,260,415 as against £A5,328,705, an aggregate increase of 27 per cent.

A few other export figures may be noted. Among foodstuffs of vegetable origin, there were generally sharp decreases in fresh and dried fruits and a considerable decline in wheat exports, but shipments of wheat flour were higher and those of sugar rose nearly a third to £A6,136,211. Details are not available for the metals and machinery group.

IMPORTS

The increase of £16,391,934 in the value of imports into Australia during 1934 reflects the heightened national activity resulting from the mobilization of Australia's resources for war. Higher values were recorded for imports of a wide range of commodities. There were increases in the value of fifteen main classes of imports and decreases in the value of five. For several of the main classes the increases were of large proportions and for seven of the fifteen showing gains the increases exceeded the largest of the decreases.

APPAREL, TEXTILES AND YARNS

Among the main classes, apparel, textiles and yarns showed the greatest increase in import value with an advance from £17,756,098 in 1938-39 to £24,587,227. This class is divided into three groups: apparel and attire, textiles, and yarns and manufactured fibres. Imports of the first group at £1,785,035 were slightly lower in value, most of the items sharing in the group's decrease. Purchases of textiles, on the other hand, rose sharply to £17,878,977 from £13,143,373 in 1938-39. The items chiefly contributing to this increase were: cotton and linen piece-goods, £6,876,338 (£4,857,038 in 1938-39); silk and artificial silk piece-goods, £3,748,912 (£2,630,458); hessian and other jute piece-goods, £999,588 (£447,474); carpets, linoleums and other floor coverings, £2,021,444 (£1,662,122); canvas and duck piece-goods, £685,283 (£569,588). Smaller increases were recorded for all other major items in this group except woollen piece-goods, which was slightly lower at £279,555 (£289,764). Imports of the third group, yarns and manufactured fibres, were also substantially higher in value at £4,923,215 (£2,747,877). The import values of the chief items of the group were: corn and flour bags and sacks, £1,992,317 (£994,132); woolpacks, £820,736 (£344,342); cordage and twines, £239,725 (£198,429); artificial silk yarns, £1,153,132 (£534,328); cotton yarns, £491,715 (£394,328).

OILS, FATS AND WAXES

Oils, fats and waxes showed the second largest increase with an import value of £12,597,711 (£8,697,751). There were higher values for all the oils except linseed. Imports of the following oils accounted for most of the increase in the group: petroleum, £7,644,863 (£5,658,530); lubricating oils, £1,597,394 (£780,861); residual and solar oils, £1,305,748 (£757,983); kerosene, £916,599 (£660,898). Imports of fats and waxes were also higher at £328,214 (£199,333).

METALS, METAL MANUFACTURES AND MACHINERY

Metals, metal manufactures and machinery, the class of largest import value, ranked third in actual increase. Total imports under this heading were valued at £33,035,934, an advance of £1,760,973 as compared with 1938-39. This class is divided into two groups: machines and machinery, and metals and manufactures other than machinery.

Imports of machines and machinery were nearly a million pounds lower in value at £12,771,649, smaller values being recorded for imports of telegraph instruments, telephones, etc., motive power machinery, printing machinery, dynamo electric machines and agricultural and horticultural machinery. Imports of sewing machines, however, rose sharply (£493,327 against £355,902) and there were increases for covered cable and wire, and yarn-making and textile-making machinery.

Purchases of metals and manufactures other than machinery were valued at £20,263,745 as compared with £17,520,737. There were increases in this group in lamps and lampware, leaf and foil, nails, pins, hooks and eyes, plated ware and cutlery, and tools of trade; but the major advance was in the general item "other metals and metal manufactures." Decreases of particular interest to Canada were: bodies and parts of motor cars, etc., £82,647 (£113,929); motor car chassis and parts, £6,340,685 (£7,229,613).

VEGETABLE SUBSTANCES AND FIBRES

Imports of vegetable substances and fibres showed an increase in value of £1,089,707 over the figure of £2,596,939 in 1938-39. Raw cotton imports at £539,161 had double the previous year's value and purchases of pulp for paper-making rose to £441,770 (£321,547). Other increases were recorded for copra, cork, flax and hemp, gums and resins, and linseed (seeds).

PAPER AND STATIONERY

Paper and stationery imports were valued at £7,249,755, an increase of £1,064,179. The following paper items accounted for nearly all of this increase: printing paper, £3,122,134 (£2,710,334); writing and typewriting paper, £712,126 (£497,602); wrapping paper, £454,251 (£298,812); millboards and other boards, £287,184 (£245,240); parchment, £139,011 (£79,567); other paper, £633,849 (£445,392). Under paper manufactures, paperhangings and wallpaper were higher at £83,707 (£74,441).

RUBBER AND LEATHER

Imports in this class were valued at £2,332,393, showing an increase of £642,795. Rubber items were responsible for the increased value, imports of leather being lower. Imports of crude rubber, rubber waste, etc., were valued

at £1,775,474 as compared with £1,196,279. Among rubber manufactures, purchases of boot and apparel elastic and rubber thread advanced to £282,711 (£175,641), those of pneumatic and other tires declined to £26,161 (£36,263), and those of other rubber manufactures were higher at £142,912 (£137,183).

FOODSTUFFS OF VEGETABLE ORIGIN

Chiefly contributing to the increased import value for this class was a rise of £410,000 in the value of purchases of tea, the major item in the class. Other increases were recorded for cocoa and chocolate, coffee and chicory, dried fruits, grain and pulse, infants' and invalids' foods, and sugar products. There were decreases in import values for confectionery, £31,044 (£61,088); fruits and vegetables, n.e.i. preserved in liquid, £39,129 (£59,781); and pickles and sauces, £9,001 (£15,059).

DRUGS, CHEMICALS AND FERTILIZERS

There was an increase of £507,890 in the import value for this class, which ranked sixth in total value in 1938-39 and 1939-40. Increases in import values were shown for acids, cyanides of potassium and sodium, proprietary medicines, dyes, insecticides and disinfectants, essential oils, potassium, soda ash, caustic soda and other sodium salts and for "other" drugs and chemicals. Decreases were recorded for fertilizers, sulphur and argol.

TOBACCO AND TOBACCO PREPARATIONS

Imports under this heading showed an increase of £60,259 in value. Unmanufactured tobacco imports were valued at £1,822,510 as compared with £1,750,978 and those of manufactured tobacco at £60,759 as against £67,984.

FOODSTUFFS OF ANIMAL ORIGIN

There was a moderate decline in the value of imports of foodstuffs of animal origin. Imports of fish preserved in tins were lower at £878,240 (£946,276) and of fish, fresh, smoked, potted, concentrated, etc., at £302,927 (£343,947). On the other hand, imports of sausage casings rose to £292,483 (£210,057) and of potted and concentrated meat to £42,114 (£40,483).

ANIMAL SUBSTANCES NOT FOODSTUFFS

There were sharp changes in the value of imports for several items in this class, which had an aggregate decline of £154,540 in value. Chief decreases were: wool, £146,795 (£672,923); cattle, calf and horse hides and skins, £70,801 (£224,293); sheep hides and skins, £8,728 (£26,534). Partly offsetting these were the following increases: raw silk, £803,603 (£391,434); hair and fibre, £156,543 (£99,500); other hides and skins, £514,240 (£444,846).

WOOD AND WICKER

Lower import values were recorded for each of the main items in this class. Imports of dressed timber were valued at £206,443 as compared with £252,760, those of undressed timber at £1,496,277 as against £1,502,567, and imports of wood and wicker manufactures at £292,480 as compared with £324,654.

OTHER CLASSES AND COMMODITIES

Among the remaining classes, paints and varnishes showed a substantial gain of £148,587, due chiefly to higher values for paints and colours. Imports of stones and minerals increased £211,654 in value, abrasives being higher at £244,643 (£178,393) and "other" minerals, including ores and concentrates, at £536,629 (£399,454). In the earthenware, cements, glass, etc., class, imports of crockery and other household ware were valued at £632,399 (£559,176) and of glass and glassware at £837,049 (£868,751). In the miscellaneous class, which showed the largest decrease with a drop of £586,951 from the value of £6,791,869 in 1938-39, the greatest decline was recorded for vessels, including fittings, imports of which were valued at only £154,810 (£664,828). Imports of vacuum cleaners were higher in value at £292,001 (£232,107).

TRADE NOTES ON THE BRITISH WEST INDIES (EASTERN GROUP) AND BRITISH GUIANA

G. A. NEWMAN, ACTING TRADE COMMISSIONER

Port of Spain, December 3, 1940.—Imports into the British West Indies (Eastern Group) and British Guiana in 1938—the year prior to the war—were valued at \$62,752,310. Approximately 7.5 per cent of this amount was for goods obtained from countries now under German control, 16.7 per cent from the United States, and 8.7 per cent from other foreign countries. The percentage distribution of imports in 1938, according to countries of origin, among the principal markets of this territory was as follows:—

	Trinidad \$35,497,121 Per Cent	Barbados \$9,938,131 Per Cent	British Guiana \$10,620,972 Per Cent	Northern Islands \$6,696,086 Per Cent
Total value of imports				
United Kingdom	37.08	40.7	50.0	40.3
Canada	12.15	13.1	15.0	20.6
Other Empire countries	8.54	17.6	12.0	16.7
United States	23.72	11.8	11.0	13.3
Germany, and countries under German control	8.33	8.0	7.0	4.3
Other foreign countries	10.18	8.8	5.0	4.8

Allowing for the complete stoppage of imports from countries under enemy control, the restriction of imports from countries outside of the sterling bloc, and the reduction of imports from certain Empire sources, it is evident that a good percentage of this territory's peace-time requirements are now being obtained from more accessible sources of supply.

As imports from Canada are not unduly restricted and may be readily obtained through well-established shipping services, it is not surprising that Canadian exporters have been flooded with inquiries of all kinds from this territory.

A review of the principal imports is provided in the reports on the annual trade of Trinidad, Barbados and British Guiana published in the *Commercial Intelligence Journal*, while a pamphlet entitled "Points for Exporters to the British West Indies (Eastern Group) and British Guiana" supplies useful information on local trade practices. The reports and pamphlet may be obtained on application to the Department of Trade and Commerce, Ottawa.

Following is a brief review of certain features of "Points for Exporters" that have been the subject of repeated inquiry from Canadian shippers, including new trade requirements which have arisen as a result of local war regulations.

EXTENT OF THE TERRITORY

The islands of the British West Indies (Eastern Group) stretch across the Eastern end of the Caribbean Sea in a rough curve from St. Kitts, south to Trinidad. British Guiana, although on the mainland of South America, is usually included with these islands because of its close geographical and commercial relationship.

This territory, with an approximate population of 1,333,302 inhabitants, a large percentage of whom are coloured, has as its three main markets, Trinidad, Barbados and British Guiana. The remaining Leeward Islands of St. Kitts, Antigua and Montserrat, and the Windward Islands of St. Lucia, Dominica, St. Vincent and Grenada are frequently regarded from a commercial point of view as a unit known as the Northern Islands.

REPRESENTATION

Most of the business on behalf of exporters is transacted through local commission firms, and it is important that such representatives be carefully selected.

While resident agents may be appointed in all the Colonies for the sale of staple products such as flour and fish, it is the usual practice to appoint resident agents in each of the three main markets and include the Northern Islands in the territory of one of these agents. A number of firms employ travellers to canvass these smaller island markets once or twice a year.

Assistance in securing reliable representatives for this territory can be obtained from the Canadian Trade Commissioner, P.O. Box 125, Port of Spain, Trinidad.

QUOTATIONS AND TERMS

Catalogues (preferably more than one) or samples and f.o.b. Canadian port or c.i.f. British West Indian port prices are usually supplied to prospective agents. Trade terms may be either sight draft d.o.p. or thirty days to sixty days sight d.o.a. Since the war, the tendency is to insist on sight draft payable in Canadian dollars. Payment in Canadian dollars or pounds sterling is allowed by local exchange authorities, but payment in United States currency is restricted. Commissions, which are frequently included in the export quotations, depend on individual arrangement, although there are recognized commissions payable in many of the established trades, the general range being from three to ten per cent.

ORDERS

Orders in duplicate or triplicate are submitted, in each Colony, to the Competent Authority responsible for the licensing of imports. Agents or importers are required to produce an order thus approved when clearing goods through Customs and when applying for exchange for payment. Shippers should therefore assure themselves that any order received has been passed by the Competent Authority. The procedure varies in the respective Colonies, but usually the importer can supply a copy of the approved order or the licence number when so requested.

RESTRICTIONS

All imports are subject to licence by the Competent Authority in each Colony. Each Authority is his own interpreter as to the extent to which restrictions may be imposed. Generally imports of all kinds from Canada

have been allowed but, due to the increasing necessity of conserving exchange, there is a tendency to restrict the importation of non-essential products from all countries and place quotas on some of the essential products.

DOCUMENTATION

In addition to the commercial invoices, it is essential that at least two copies of the Customs invoice containing the certificate of origin be included, together with the insurance certificate and bills of lading, which are forwarded with draft to the local bank.

Under the present system of licensing imports, which restricts imports from non-sterling sources, it is important that the certificates of origin be carefully and correctly completed. Particular attention should be given to clearly indicating the British Empire content of the shipment and seeing that each item listed on the invoice conforms to the statement given. Failure to follow this requirement may lead to seizure of the shipment and perhaps the fining of the importer. It is also necessary to observe that the declarer's signature must be witnessed. The British Empire content required in order to qualify for British preferential tariff treatment or secure admission of the shipment varies according to the product from 25 to 50 per cent. Further details on this point may be obtained from the Department of Trade and Commerce, Ottawa.

In making out invoices it is advisable to itemize the freight, insurance and handling charges, due to the fact that certain Colonies assess duty on the c.i.f. value and others on the f.o.b. value.

War-risk insurance should be shown as a separate item. If included in the c.i.f. price, this fact should be stated, as Customs authorities insist that war-risk insurance be included in any value where duty is assessed on the c.i.f. value.

Each case in the shipment should be numbered or individually marked and this number listed on the invoice with an itemized statement of the contents. Invoices made out in this manner greatly facilitate clearance through Customs and add to the convenience of the consignee whenever redistribution or storage is required.

In addition to freight shipments, increasing use is being made of parcel post, especially for forwarding textiles, wearing apparel and similar dry-goods.

Goods sold cash against documents or documents on acceptance of draft and forwarded by parcel post should be addressed to the order of the bank. Otherwise a parcel addressed to the purchaser will be delivered regardless of the terms of sale. To facilitate Customs assessment, a copy of the invoice and certificate of origin should be enclosed with the parcel.

MAIL SERVICES

It is important that consignee mail be sent in advance of the shipment in order to ensure that the documents are available for the clearance of goods on arrival. In this connection the use of air-mail services to Antigua, Trinidad and British Guiana is a valuable convenience for Canadian shippers.

TRADE OF ARGENTINA, JANUARY-JUNE

J. C. DEPOCAS, ASSISTANT TRADE COMMISSIONER

Buenos Aires, November 7, 1940.—As compared with figures for the first half of 1939, the trade of Argentina during the corresponding period of 1940 shows for imports a decrease in volume of 11.1 per cent but an increase in value of 35.8 per cent, and for exports a decrease of 4.6 per cent in volume and an increase of 15.4 per cent in value. The favourable trade balance was reduced from \$64,075,327 (Canadian) to \$32,306,732.

The total trade is shown in the table below in terms of tons of 2,000 pounds and Canadian dollars:—

	Jan.-June, 1940 Tons of 2,000 Pounds	Jan.-June, 1939 Tons of 2,000 Pounds	Jan.-June, 1940 Canadian Dollars	Jan.-June, 1939 Canadian Dollars
Imports.. . . .	4,763,078	5,358,599	276,862,903	203,801,702
Exports	7,048,800	7,386,500	309,169,635	267,877,029
Balance.. . . .			+ 32,306,732	+ 64,075,327

IMPORTS BY COMMODITY GROUPS

The decrease in the volume of imports is due mainly to the heavy reduction in imports of coal by 550,000 tons, of lumber and manufactures thereof by 61,000 tons, and of iron and its manufactures by 42,000 tons. But prices were so much higher than in 1939 that the value of these three groups of imports shows an increase of \$23,000,000. All others except machinery showed increases in both volume and value. This is indicated in the following table, which shows for each group the volume and value and an average price in Canadian dollars per short ton:—

Argentine Imports by Commodity Groups

	Jan.-June, 1940 Tons of 2,000 Pounds	Jan.-June, 1939 Tons of 2,000 Pounds	Jan.-June, 1940 Values in Canadian Dollars	Jan.-June, 1939 Values in Canadian Dollars	Av. Price Per Ton Jan.-June, 1940	Av. Price Per Ton Jan.-June, 1939
Totals	4,763,100	5,358,599	276,862,903	203,801,702	58	38
Foodstuffs	158,847	161,374	14,194,326	11,001,517	58	38
Tobacco	5,007	4,216	2,601,392	2,063,495	519	489
Beverages	3,700	2,991	1,888,365	1,329,351	510	444
Textiles	65,104	58,839	54,311,328	37,676,951	835	640
Chemicals	134,455	113,683	21,531,859	13,722,288	160	120
Paper	130,616	114,527	15,683,527	7,809,814	120	68
Lumber	231,713	292,630	12,319,645	11,670,592	53	39
Iron	396,715	439,163	42,386,546	30,254,165	108	69
Machinery	86,161	87,946	23,563,577	26,602,012	274	302
Other metals	91,287	60,369	19,822,330	10,794,558	217	179
Stones, sands, glass	1,117,516	1,131,298	8,553,357	6,518,605	7	6
Fuel	2,294,285	2,844,171	39,503,130	29,694,296	17	10
Rubber	7,079	6,839	3,282,645	2,386,833	456	349
Various	41,155	35,553	16,824,976	12,277,227	409	345

The average prices shown in the foregoing table are not meant to indicate that all articles belonging to the same group were imported at the same price, but to illustrate the difference between the price levels of the same group during the periods under review.

IMPORTS BY COMMODITIES

The extent of the Argentine market, its nature and the opportunities afforded new suppliers to participate in the import trade, owing to the inability of most European countries to make shipments to Argentina, may be estimated

from the following table showing imports of principal items in the January-June periods of 1940 and 1939, with chief sources of supply in 1938:—

Argentine Imports of Principal Items

	Jan.-June, 1940	Jan.-June, 1939	Chief Suppliers in 1938
Foodstuffs—			
Herring and other fish for pickling, etc.	Lbs. 459,673	Lbs. 833,286	Netherlands, U.K., Norway.
Codfish, dried	Tons 2,774	Tons 3,117	Norway, U.K.
Oysters, preserved	Lbs. 370,416	Lbs. 206,885	Spain.
Fish, fresh, frozen	779,432	488,438	Portugal, U.S.
Canned fish	195,200	185,294	Spain, Portugal.
Sardines	Tons 1,126	Tons 1,101	Spain, U.S.
Other fish	Lbs. 107,894	Lbs. 172,282	Portugal, U.S.
Eggs, fresh	218,607	2,747,541	Eire, Poland.
Cheese	14,716	28,882	Switzerland, Italy.
Other animal foods	125,668	147,715	Norway, U.S.
Vegetable edible oils	Tons 7,384	Tons 5,183	Italy, France, Greece.
Sugar	Lbs. 7,567	Lbs. 7,567	Denmark, Neth. India.
Coffee in grain	Tons 12,102	Tons 11,161	Brazil, Neth. India.
Cocoa in grain	2,379	2,324	Brazil, British Possessions, Central America.
Tea	1,293	1,049	United Kingdom, Neth. India.
Yerba mate	19,408	20,183	Brazil, Paraguay.
Rice	4,091	14,168	Brazil, U.S.
Oats, rolled	Lbs. 1,296	Lbs. 1,041	United States.
Pimento	678,801	661,946	Hungary, Spain.
Pimento, grain	933,724	890,950	Netherlands India.
Pimento, natural	262,851	667,837	Spain, Italy.
Pineapples N.O.	189,066	42,970	Brazil.
Bananas	Stems 4,638,316	Stems 2,108,325	Brazil.
Lemons	Lbs. 927,102	Lbs. 319,402	Italy, Spain.
Apples and pears	Tons 535	Tons 337	U.S., Canada.
Oranges and mandarines	10,120	5,233	Brazil, Paraguay.
Other fresh fruits	Lbs. 61,442	Lbs. 139,712	Uruguay, U.S.
Walnuts	192,669	207,303	Italy, Greece.
Prunes	747,595	422,364	U.S., France.
Coconut	517,613	733,631	Ceylon, Netherlands.
Stoned fruit	247,790	339,954	Chile.
Nuts	Tons 194	Tons 538	Chile, U.S.
Dry figs	Lbs. 52,681	Lbs. 13,336	Greece, Italy, Turkey.
Currants	426,332	362,866	Turkey, U.S.
Other dry fruits	890,120	544,588	Chile, Brazil.
Olives	Tons 3,449	Tons 2,242	Greece, Spain.
Flour	Lbs. 875,138	Lbs. 870,817	Brazil.
Flours, general	368,173	236,421	Netherlands India, Brazil.
Peas and beans	Tons 3,213	Tons 3,757	Chile, France.
Tobacco and manufactures thereof—			
Leaf tobacco, Habana	Lbs. 318,776	Lbs. 274,241	Cuba.
Leaf tobacco, Paraguay	698,885	434,240	Paraguay.
Leaf tobacco, others	Tons 3,964	Tons 3,391	Brazil, U.S., U.K.
Cigars, wrapped, in boxes.	Lbs. 83,411	Lbs. 78,744	Italy.
Cigarettes	84,134	110,010	U.S., U.K.
Beverages—	Doz.	Doz.	
Champagne	7,009	6,841	France.
Sparkling wine	9,052	4,150	France, Spain, Italy,

	Jan.-June, 1940	Jan.-June, 1939	Chief Suppliers in 1938
Beverages— <i>Con.</i>	Gals.	Gals.	
Moscatel, Mosala and similar wines	33,750	12,919	France, Italy, Spain.
Bordeaux, barbera and similar wines	18,965	14,265	Italy, France, Chile.
	Doz.	Doz.	
Gin in bottles	11,225	8,626	United Kingdom.
Whisky in bottles	50,445	35,622	United Kingdom.
Cider in bottles	12,563	14,673	Spain.
Textiles—	\$	\$	
Silk and manufactures	3,246,047	2,368,729	Italy, U.S., U.K.
Wool and manufactures	11,452,381	13,448,777	U.K., Italy, France.
Cotton and manufactures . . .	27,183,253	14,605,116	U.K., Japan, Italy.
Linen and manufactures	1,312,448	1,073,110	Belgium, U.K.
Jute, other fabrics and manufactures	11,117,200	6,181,219	India, U.K., Italy.

The total value of imports of textiles amounted to \$54,311,329 (Canadian) as compared with \$37,676,951 for the first half of 1939. The only item imported from Canada during 1940 is natural silk thread.

	Jan.-June, 1940	Jan.-June, 1939	Chief Suppliers in 1938
Chemicals, Pharmaceutical Products, Oils and Paints—	Tons	Tons	
Coconut oil	781	728	Neth. India, Netherlands.
Palm oil	428	556	United States.
	Lbs.	Lbs.	
Turpentine	753,226	769,638	United States.
Essential oils	197,237	186,880	Neth. India, Italy, U.S.
Synthetic perfume	55,180	29,831	U.K., Switzerland, France, U.S.
Toilet soap	171,064	403,286	U.K., U.S.
Aniline, black	738,066	735,015	Germany, France, U.S.
	Tons	Tons	
Aniline, other colours	617	493	Germany, Switzerland, U.S.
	Lbs.	Lbs.	
Ultramarine, blue, green	607,200	491,146	U.K., Belgium, Netherlands, U.S.
	Tons	Tons	
Carbon, lampblack	1,409	1,290	Germany, Belgium, U.S.
Lithophon	2,712	1,696	Germany, Belgium, U.S.
Ochres and earths	3,053	2,975	U.S., Germany, Japan.
Varnish	495,594	528,113	U.S., U.K.
Paint in paste	361,900	353,380	U.K., U.S.
Paint, liquid	1,190	1,079	U.K., U.S.
	Lbs.	Lbs.	
Printing inks	795,628	586,936	U.S., Germany.
Acid, acetic	709,759	672,992	Japan, Germany.
Acid, citric	521,729	549,938	Italy, U.K., Czecho-Slovakia.
Acid, tartaric	7,753	112,883	Italy, Spain, U.K.
	Tons	Tons	
Aluminium sulphate	2,573	3,526	Switzerland, Belgium, U.S.
Ammonia and salts	925	697	U.K., Belgium.
Arsenic and compounds	1,113	462	Sweden, Belgium.
	Lbs.	Lbs.	
Aspirins	50,988	61,506	Germany.
	Tons	Tons	
Barium and compounds	3,625	4,233	Germany, Belgium, France.
Calcium carbide	7,615	4,418	Sweden, Switzerland, Poland, Japan.
Copper sulphite	725	831	Belgium, U.K., Germany.
	Lbs.	Lbs.	
Boiler compounds	748,750	772,473	U.S., U.K.
Gum resin	699,084	520,199	India, Neth. India.
Arabic gum	672,706	520,468	U.K., France.
	Tons	Tons	
Red iron oxide	1,012	548	Spain, U.K.
	Lbs.	Lbs.	
Magnesium, oxide	93,726	62,254	Italy.
	Tons	Tons	
Cobblers' black wax	4,563	6,839	U.S., France.
Potassium and compounds . . .	642	546	Germany, Sweden.
Sodium and compounds	48,107	35,257	U.K., U.S., Chile.
Zinc oxide	1,298	1,252	Poland, United Kingdom, Germany.
	Lbs.	Lbs.	
Glue	484,196	442,255	France, Germany, Japan.
	Units	Units	
Salvarsan and others, ampoles	371,253	136,060	Germany, France, U.S.

	Jan.-June, 1940	Jan.-June, 1939	Chief Suppliers in 1938
Chemicals, etc.— <i>Con.</i>	Lbs.	Lbs.	
Cotton, absorbent	75,385	51,385	Italy, France, U.S.
Crude paraffin and refined ..	Tons 1,891	Tons 2,409	Neth. India, U.S.
Vaseline	Lbs. 491,036	Lbs. 247,228	U.S., Germany.
Insecticides	Tons 909	Tons 1,081	Germany, U.S., U.K.
Calcium chloride	4,234	3,413	U.K., Germany, Italy.
Paper, Cardboard and Manufactures thereof—			
Pulpwood for paper-making ..	Tons 22,482	Tons 26,646	Sweden, Finland, Norway.
Cardboard	7,040	8,788	Finland, Germany, Sweden, Netherlands.
Bristol board	1,451	955	Germany, Belgium, U.K.
Paper, wrapping	5,507	4,441	Sweden, Germany, Norway.
Paper, newsprint	83,735	73,541	Finland, Canada, Norway.
Paper, writing	17,425	12,901	Germany, Norway, Netherlands, U.K.
Paper, wall	Lbs. 758,302	Lbs. 720,067	Germany, Belgium, U.K.
Paper, cigarette	Tons 533	Tons 468	France, Spain, Yugoslavia.
Paper, toilet	Lbs. 723,011	Lbs. 647,485	United States.
Paper, photo	140,948	223,503	Belgium, Germany, U.K.
Cellophane	930,902	530,818	U.K., Belgium.
Books	665,226	575,289	U.S., U.K., Italy.
Commercial printing	150,370	290,747	Italy, U.K.
Iron and Products thereof—			
Ingots	Tons 15,486	Tons 37,126	France, U.K., Belgium.
Steel bars, sheets	8,114	5,973	U.K., Germany, U.S.
Wheels	1,447	16,346	France, Belgium, Germany.
Iron bars, squares and rods..	118,521	117,627	Belgium, Luxemb'g., Germany, France.
Iron sheets	86,096	67,292	Belgium, U.K., France.
Hoops	17,594	14,930	Belgium, Germany, France.
L.T.U.Z. shapes	24,987	30,838	Belgium, Germany, France.
Tie rods	3,424	9,443	France, Luxemburg, Belgium Germany.
Galvanized sheets	1,359	902	Belgium, U.K., U.S.
Wire up to No. 14	14,577	14,232	Belgium, France, U.S., Germany.
Same, galvanized	10,796	13,577	Belgium, Germany, U.S., France.
Barbed wire	2,455	5,823	Belgium, U.S., Germany, France.
Tracksplices	152	742	France, Belgium, U.K.
Steel cables	Lbs. 679	Lbs. 891	Germany, Netherlands, U.S.
Wire netting	Lbs. 147,373	Lbs. 567,166	Belgium, Germany, Netherlands.
Chains	500,674	887,632	U.S., Germany, France.
Piping, cast iron	Tons 2,186	Tons 9,380	France, Germany, U.K.
Piping, forged iron	22,901	15,094	Germany, Poland, U.K., France.
Piping, galvanized iron . . .	7,029	8,384	Germany, U.K., France.
Piping, others	685	1,046	Germany, Czecho-Slovakia, U.K.
Nails, screws	541	833	Belgium, Germany, U.K.
Bolts and nuts	2,068	2,508	U.K., Belgium.
Enamelled products	Lbs. 30,270	Lbs. 417,193	Czecho-Slovakia, Poland, Germany.
Razor blades	159,532	109,343	Germany, U.S.
Locks	372,982	553,259	Germany, Belgium.
Gimlets	40,700	73,329	Germany, U.K.
Files	456,713	481,733	U.S., U.K., Germany.
Needles	24,974	33,210	Germany, Japan, U.K., Canada.
Telephone cables	Tons 2,317	Tons 5,739	Belgium, Italy, Germany.
Steel casks	No. 35,875	No. 47,503	Germany, U.S.
Ball bearings	Lbs. 182,433	Lbs. 232,513	U.S., Sweden, Germany.
Springs	194,335	310,054	U.S., Germany, France.
Valves	935,134	873,654	Germany, U.K., Netherlands, U.S.
Circular saws and blades . .	189,727	125,378	U.S., U.K., Germany.
Others	Tons 1,697	Tons 1,400	U.S., Germany, U.K.
Machinery—			
Pumps	Tons 541	Tons 1,122	U.S., Germany, U.K.
Boilers, house heating	632	1,145	Belgium, Germany, U.S.
Boilers, industrial	1,978	1,713	U.K., Germany, U.S.
Refrigerator parts and accessories	Lbs. 353,630	Lbs. 421,177	United States.

	Jan.-June, 1940	Jan.-June, 1939	Chief Suppliers in 1938
Machinery— <i>Con.</i>	No.	No.	
Machines, sewing	41,678	17,890	U.K., U.S., Germany.
Typewriters	7,760	7,340	U.S., Germany, Italy.
Cash registers	1,836	1,664	United States.
	Tons	Tons	
Machines and motors up to 500 kilos	1,311	2,327	U.S., Germany, U.K.
Machines and motors, 500 to 1,000 kilos	810	1,120	Germany, U.S., U.K.
Machines and motors, 1,000 kilos up	7,366	14,126	Germany, U.S., U.K.
Machines for mines	539	10	U.S., Switzerland.
Windmills	756	1,153	Germany, U.S., U.K.
Motors and dynamos of $\frac{1}{4}$ h.p. and up	1,110	1,274	Germany, U.K., Sweden.
	No.	No.	
Ploughs	3,005	4,597	U.S., Canada.
	Tons	Tons	
Plough shares	615	352	U.S., Canada, Germany.
Plough parts	575	435	U.S., Germany, Canada.
	No.	No.	
Combines	18	193	U.S., Canada.
Binders and headers	371	394	U.S., Canada, Sweden.
Tractors	378	531	U.S., Germany, U.K.
	Tons	Tons	
Agricultural machinery and parts	770	1,258	U.S., Canada, Germany.
	No.	No.	
Airplanes	4	.....	U.S., Italy.
Cars, passenger	13,476	10,452	U.S., Germany, France, Italy.
Trucks	1,855	1,507	U.S., Italy, Germany.
Automobile chassis	17	40	U.S., U.K., Germany.
Truck chassis	3,113	2,161	U.S., U.K., Germany.
Diesel motors, trucks	5	56	Germany, U.K.
	Tons	Tons	
Auto parts	1,857	1,604	U.S., Germany, U.K.
	No.	No.	
Bicycles	39,974	69,967	U.K., Italy, Germany.
	Lbs.	Lbs.	
Bicycle accessories	347,585	314,894	U.K., Italy, France.
	No.	No.	
Locomotives . . . . .	.....	10	Germany, U.K.
	Tons	Tons	
Locomotive parts	1,600	2,317	U.K., France, Germany.
	No.	No.	
Railway coaches	14	24	U.K., Hungary.
Tramcars . . . . .	.....	18	Germany.
	\$	\$	
Tramway material	61,745	258,798	Germany, Switzerland, U.K.
	No.	No.	
Railway cars	96	2	U.K., Germany, Belgium.
	\$	\$	
Other agricultural machinery	178,733	395,359	U.S., Canada.
Railway material	2,025,183	1,922,885	U.K., Belgium, Hungary.
Other machinery	2,236,825	1,489,059	U.S., U.K., Germany.
Lumber and Manufactures—	M.F.B.M.	M.F.B.M.	
Douglas fir	12,100	13,943	United States.
California white pine	528	854	United States.
Sitka spruce	21	.....	United States.
Redwood	14	.....	United States.
	Tons	Tons	
Cedar logs	12,601	8,910	Brazil, Paraguay.
	M.F.B.M.	M.F.B.M.	
S.A. hardwood logs, cut	3,423	5,280	Paraguay, Brazil.
Cedar logs, cut	1,888	2,216	Paraguay, Brazil.
	Tons	Tons	
S.A. hardwood logs	9,322	12,958	Brazil, Paraguay.
	No.	No.	
Telephone posts	26,615	35,679	Czecho-Slovakia, Germany, U.S.
	M.F.B.M.	M.F.B.M.	
Brazilian pine	47,683	59,634	Brazil.
Pitch pine	26,845	28,112	United States.
European spruce	11,887	26,999	Yugoslavia, Poland, Latvia.
Oak	3,104	4,654	U.S., Yugoslavia, Poland.
Rauli	660	524	Chile.
	Tons	Tons	
Plywood and veneers	4,383	11,416	Poland, Finland.
	M.F.B.M.	M.F.B.M.	
Lumber in board	9,159	9,747	Yugoslavia, Poland, U.S.

	Jan.-June, 1940	Jan.-June, 1939	Chief Suppliers in 1938
Lumber, etc.— <i>Con.</i>	Tons	Tons	
Cork in boards and strips . .	1,855	1,304	Portugal, Spain.
	Lbs.	Lbs.	
Cork, ready for use.	159,909	88,275	Portugal, U.S.
Cork, pressed.	68,675	787,278	France, Spain, Portugal.
	Hundreds	Hundreds	
Tool handles.	59,674	54,522	Brazil.
	No.	No.	
Casks	236,309	782,748	U.S., Germany.
Other Metals and their Manufactures—			
Electric copper in ingots and	Tons	Tons	
loafs	3,073	2,025	U.S., Belgium, U.K.
Copper in ingots and loafs . .	375	1,285	U.K., Germany, Chile.
Copper electric wire and cable	1,361	2,004	U.K., Germany, France, Belgium.
	Lbs.	Lbs.	
Plain copper wire	269,828	559,962	France, U.S., U.K.
Nails, screws	92,378	64,265	U.S., U.K.
Handles, hinges, faucets . . .	817,152	940,719	U.S., Germany, U.K.
Piping	461,720	488,967	Germany, U.K., U.S.
Electric cord	74,317	124,977	U.K., U.S., Germany.
	\$	\$	
Other products	192,277	194,268	U.K., Germany, U.S.
	Tons	Tons	
Aluminium ingots	730	277	Norway, Switzerland, France.
	Lbs.	Lbs.	
Aluminium sheets	154,039	121,200	Switzerland, Germany, France.
	Tons	Tons	
Tin, ingots and sheets	561	539	U.K., Neth. India, Netherlands.
Tinplate, plain	65,815	36,783	U.K., U.S., Germany.
	Lbs.	Lbs.	
Anti-friction metal.	647,745	306,138	U.K., U.S.
	Tons	Tons	
Lead ore	2,489	1,904	Bolivia.
Zinc ingots or bars	3,187	4,495	Belgium, Norway.
Zinc sheets.	1,658	1,550	Belgium, U.S.
	Lbs.	Lbs.	
Articles of aluminium.	65,735	94,039	Germany, U.S., U.K.
Articles of electroplate	19,666	20,412	U.K., Germany, France.
Articles of tinplate.	154,784	152,200	U.K., U.S., Germany.
Articles of metal or com-			
pounds, silver plated.	57,004	70,811	Germany, U.K., U.S.
Sliding fasteners (zippers) . .	8,064	8,233	Germany, Japan.
Aluminium foil.	12,948	101,406	Germany, France, Switzerland.
Soldering material.	488,619	446,940	U.K., U.S., Belgium.
Light fittings.	84,464	117,698	Germany, U.S.
	No.	No.	
Watches	286,273	387,011	Switzerland, Germany, France.
	Doz.	Doz.	
Alarm clocks	8,407	17,479	Germany, Italy, U.S.
	No.	No.	
Wall clocks	11,968	8,894	Germany, U.S.
Other clocks	2,555	3,274	U.S., Germany.
	\$	\$	
Other apparatus and measur-			
ing instruments	505,716	367,228	Germany, U.S.
Stone, Earths, Glass and Ceramics—			
	Tons	Tons	
Sand	887,200	825,472	Uruguay.
	Sq. Ft.	Sq. Ft.	
Marble.	13,121	70,063	Italy, Belgium.
Marble in blocks.	33,218	41,893	Italy, Belgium.
	Tons	Tons	
Stones, crushed	125,698	171,659	Uruguay.
White cement	3,952	5,905	U.S., U.K., Belgium.
Portland cement.	1,105	17,379	Sweden, Yugoslavia, Belgium.
Chalk	5,183	7,093	Belgium, U.K., Denmark.
Sulphur	18,961	13,906	U.S., Italy, Bolivia.
	Sq. Ft.	Sq. Ft.	
Glass, plain	9,692,734	10,651,580	Belgium, Czecho-Slovakia, Germany.
Glass, white or colour.	167,403	616,465	U.K., Belgium, Germany.
	Tons	Tons	
Glass skylights	242	1,214	Belgium, U.K., Germany.
	Sq. Ft.	Sq. Ft.	
Glass, fine.	1,498,876	1,654,104	Belgium, Czecho-Slovakia, U.K.
	No.	No.	
Bathroom supplies	79,460	67,174	U.S., Germany, Netherlands.
	Lbs.	Lbs.	
Lamp sockets.	70,653	91,644	Germany, Italy, U.S.

	Jan.-June, 1940	Jan.-June, 1939	Chief Suppliers in 1938
Stone, etc.— <i>Con.</i>	\$	\$	
Porcelain articles	63,042	78,540	Germany, Czecho-Slovakia, France, U.S.
Terracotta articles	1,037,500	586,680	Japan, U.K., Germany.
	Million	Million	
Floor tiles.	488	1,886	France, Italy.
	Tons	Tons	
Floor tiles, enamelled	6,701	5,971	Germany, Czecho-Slovakia, Italy.
Refractory earthenware block	2,820	2,271	U.S., U.K., Sweden.
	No.	No.	
Clay pipes.	47,529	188,415	Germany, Belgium.
	Hundreds	Hundreds	
Refractory bricks	20,392	25,628	U.K., U.S.
	Tons	Tons	
Asbestos	2,620	1,314	U.K., Rhodesia, U.S.
Asphaltine.	859	1,584	U.S., U.K., Germany.
Asbestos sheets	45	1,807	Belgium, Italy, France.
	\$	\$	
Other earths, stones	1,668,132	1,196,118	U.S., Belgium, Italy.
Fuels and Lubricants—	Tons	Tons	
Fuel oil	558,925	493,459	Netherlands West Indies.
Diesel oil	121,228	176,474	Netherlands West Indies.
Gas oil	39,717	7,835	Netherlands West Indies.
Crude petroleum	269,126	370,964	Peru, U.S., Colombia.
	Gals.	Gals.	
Gasoline	310,969	349,639	Mexico, U.S.
	Tons	Tons	
Coal.	1,283,732	1,763,239	U.K., Germany, Poland.
Coke	14,462	25,065	U.K., Germany.
Lubricating oil	3,942	3,985	U.K., U.S.
Rubber and manufactures thereof—	Lbs.	Lbs.	
Tubing	234,175	241,957	U.S., U.K., Germany.
	\$	\$	
Rubber for medical purposes.	25,775	32,381	France, Germany.
	Lbs.	Lbs.	
Automobile tubes	20,815	17,759	U.S., U.K.
Automobile tires.	424,238	449,835	U.K., U.S., Italy, Canada.
Rubber boots.	22,784	135,211	Canada, U.K.
	Tons	Tons	
Crude rubber	4,601	4,539	Malaya, Ceylon.
	Lbs.	Lbs.	
Rubber thread	127,400	71,038	U.K., Italy.
Rubber tires	257,056	259,165	U.K., U.S.
Sheet belting	88,897	142,655	U.K., U.S., Canada, Germany.
Others	185,999	114,587	U.S., U.K.
Miscellaneous—	Lbs.	Lbs.	
Patent leather	63,672	82,833	Germany, Netherlands, Luxemburg.
Furs.	44,216	47,476	U.K., Norway, Germany.
Leather gloves	4,893	8,674	Germany, France, U.K.
	\$	\$	
Gramophone discs and parts..	75,443	52,229	Japan, U.K.
	No.	No.	
Pianos	195	334	Germany, Sweden, U.K.
	Lbs.	Lbs.	
Batteries	198,787	561,022	U.S., U.K., Denmark.
	Tons	Tons	
Battery components	1,168	1,023	U.S., Germany, U.K.
	Lbs.	Lbs.	
Battery boxes.	263,570	456,038	U.S., Germany, Sweden.
Radio-telephone apparatus . .	25,390	37,355	U.S., Netherlands.
	No.	No.	
Radio tubes	768,129	947,459	U.S., Netherlands, Hungary.
	Lbs.	Lbs.	
Loud speakers, metal	158,409	175,441	U.S., Netherlands.
	\$	\$	
Radio material	561,409	532,303	U.S., Netherlands, Germany.
Telephone material.	261,455	231,558	Belgium, U.K., U.S.
	Lbs.	Lbs.	
Electrical supplies	332,792	376,239	Germany, U.S., Italy.
Commutators.	400,849	295,532	U.K., Belgium.
Electric lamps	752,465	426,359	Japan, Belgium, Hungary.
Electric lanterns.	97,258	25,567	U.S., Japan, Germany.
	No.	No.	
Current meters	38,490	11,595	Germany, Switzerland, Sweden.
Ironers.	17,414	12,802	U.S., Germany, U.K.
	Lbs.	Lbs.	
Insulating tubing	59,387	1,528,023	Germany, U.K., U.S.

	Jan.-June, 1940	Jan.-June, 1939	Chief Suppliers in 1938
Miscellaneous— <i>Con.</i>	\$	\$	
Other electrical material	741,529	856,006	Germany, U.S., U.K.
Jewellery	228,590	183,137	Germany, U.K., France.
	Lbs.	Lbs.	
Imitation jewellery.	12,136	25,446	Germany, France, U.S.
	No.	No.	
Photographic apparatus	14,948	50,125	U.S., Germany.
	Doz.	Doz.	
Photographic plates.	39,359	127,499	Germany, U.S., Belgium.
Films	830,291	729,294	U.S., Belgium, Germany.
	Lbs.	Lbs.	
Shoe paste.	843,745	525,780	United Kingdom.
Buttons	205,918	139,120	Japan, Italy, Germany, France.
Celluloid	158,652	213,343	Germany, Japan.
Cine film, new	56,887	89,684	Germany, U.S., Belgium.
Cine film, printed	48,693	212,946	U.S., France, Germany.
	Doz.	Doz.	
Lamps and lanterns.	513	6,526	Germany, U.S.
	\$	\$	
Toys.	149,573	131,312	Germany, Japan, U.K.
Oil-well supplies	5,792,743	2,494,834	U.S., Germany, Czecho-Slovakia.
Public works supplies	31,400	51,287	Italy, Germany, U.K.
	Lbs.	Lbs.	
Combs	25,629	31,933	Germany, Japan, France.
Animal hair	3,574	3,995	France, Germany.
Rabbit hair	191,259	157,459	Belgium, France, Spain.
Brushes	56,768	75,237	Germany, U.S., U.K.
	Tons	Tons	
Starch	461	560	Belgium, Netherlands, Germany.
	Lbs.	Lbs.	
Hops	855,247	443,937	Czecho-Slovakia, Germany.
	Tons	Tons	
Seed potatoes.	2,987	3,276	Canada, Denmark, Netherlands, Poland
Other seed	687	751	U.S., France, Netherlands.
	Lbs.	Lbs.	
Paper fasteners	80,694	157,531	Germany, Czecho-Slovakia, U.S.
Pencils.	340,364	326,102	Germany, Japan, U.S.
	\$	\$	
All others	2,113,884	1,898,222	Germany.

Argentine statistics do not show for the first six months of 1940 and 1939 the sources of supply of separate articles, but from the above list of suppliers in 1938 Germany may be deleted for most items. In fact, the imports from Germany, which for the first half of 1939 were valued at \$24,213,212 (Canadian), dropped to \$2,988,877 during the same period of 1940, and those which might have been of German origin among imports from Italy, which showed a reduction from \$9,719,166 to \$3,689,759, must also have decreased.

As regards the second half of 1940 and imports thereafter into Argentina, practically all the names of Continental European countries may also be deleted, and among them must be included some of the more important countries shipping to Argentina. Values of imports from these countries during the first six months of 1940 and 1939 were as follows:—

Argentine Imports from European Countries

	Jan.-June, 1940	Jan.-June, 1939
	Values in Canadian Dollars	
Germany	2,988,977	24,213,212
Belgium	13,263,360	14,694,505
France	13,178,927	13,496,750
Italy	9,719,166	3,689,759
Netherlands	5,426,559	4,476,309
Sweden	4,537,285	4,256,976
Norway	3,483,853	2,202,729
Total	52,598,127	67,030,240
Per cent of total imports	19	33

The bulk of the imports into Argentina from Norway and Sweden consist of newsprint and pulp and, except for occasional small shipments from Finland through Petsamo and from Newfoundland, this trade has been diverted to Canada. The Netherlands and Denmark formerly supplied some seed potatoes;

their share of this trade is now divided between Canada and the United States, although total imports in 1940 may be small as compared with last year's. Argentina must buy these products from North American countries, as there are no other available sources of supply. As regards other imports, the United Kingdom is regularly a preferred supplier, in order that Argentina may accumulate sterling balance in London. Argentina will then look to other countries, which, under the control regulations, are divided into a number of groups. Canada is included in the group "all other countries." Some commodities may be imported without limit, and others are subject to percentage quotas based on imports in the year July 1, 1938, to June 30, 1939. Under the quota system oftentimes quotas allotted to "other countries" comprise articles which have not been previously imported from the Dominion, and a "without limit" quota may apply to products which Canada cannot supply or compete in or of which no export surplus is available in the Dominion. This explains why so few opportunities are afforded Canada to participate in Argentina's import trade. Argentina buys from North America many necessary articles which she formerly bought in Continental Europe and paid for with the exchange arising from her exports to those same countries. Only her purchases of newsprint from the Dominion assures a trade balance in favour of Canada. It is not surprising, therefore, that she has had to restrict her other imports from Canada to raw materials or articles which cannot be obtained from other sources. Argentina's import and exchange control regulations are currently being revised.

EXPORTS

There was a decrease in volume but an increase in value of exports from Argentina in the first six months of 1940. The decrease in volume is due to a sharp reduction in shipments during June, following developments in Europe. This reduction more than offset the larger volume of exports effected during the first five months as compared with the similar period of 1939. Exports during the first half of 1940 totalled 7,041,928 tons as against 7,387,471 tons in the 1939 period, a reduction of 345,443 tons, while for June only exports amounted to 941,552 tons as compared with 1,725,276 tons in June, 1939, a decrease of 783,724 tons. On the other hand the increase in value recorded for the first five months was large enough to assure a gain during the first six months of 1940 over the value for the same period of 1939.

The bulk of Argentine exports consists of two main classes of articles: vegetable products and animal products. These comprise nine items as follows: chilled and frozen beef, frozen mutton, canned meat, hides, wool, wheat, maize, and flaxseed. The aggregate value of the exports of these products during the 1940 period accounted for 72 per cent of the total value of Argentine exports. Argentina also exports live animals, dairy products, animal by-products, quebracho extracts, and grains. Exports of the nine most important articles are shown in the following table:—

Argentine Exports of Principal Products

	Jan.-June, 1940		Jan.-June, 1939	
	1,000 Lbs.	\$ Canadian	1,000 Lbs.	\$ Canadian
Chilled beef	360,881	29,162,069	386,069	26,978,278
Frozen beef	169,794	11,272,462	128,062	5,871,800
Frozen mutton	100,852	10,079,617	59,264	5,447,960
Corned meats	73,840	6,277,846	100,144	9,537,684
Hides	164,255	21,205,437	168,449	15,741,917
Wool	131,277	26,157,892	183,621	24,950,944
Wheat	84,662	60,700,043	85,992	45,304,492
Corn	53,586	22,175,409	125,829	34,955,546
Flaxseed	24,160	34,990,414	46,582	34,909,063
Total		221,921,189		203,697,684
Total value Argentine exports		309,012,325		267,877,029
Percentages for 9 items		71		76

The leading purchasers of Argentine products during the first six months of 1940 were as follows, figures for 1939 being shown within parentheses: United Kingdom, \$93,568,541 (\$95,626,254); United States, \$41,070,932 (\$27,318,414); France, \$26,733,982 (\$14,054,083); Netherlands, \$17,502,924 (\$23,185,475); Italy \$14,609,189 (\$2,472,482); Belgium, \$13,057,286 (\$19,090,834); Brazil, \$12,806,506 (\$12,253,855); Spain, \$6,211,835 (\$8,527,220); Switzerland, \$5,875,010 (\$876,694); Sweden, \$5,875,010 (\$4,252,269); Norway, \$3,019,913 (\$3,907,596).

Argentina has since lost many of her best markets, such as France, the Scandinavian countries and the Mediterranean countries, and exports thereto during the second half of the year may be reduced to almost nil, as were those to Germany, which were valued at \$1,103 in the 1940 period as against \$22,600,947 in the same months of 1939. Argentina's European markets would then be limited to the United Kingdom, Spain and Portugal, and total exports to Europe would be valued at about \$100,000,000, unless Spain and Portugal buy more than in the past. Total exports to Europe during the first half of 1940 were valued at \$198,500,368 as compared with \$211,285,247 in the 1939 period, the percentages of Argentine exports to all countries being 64 and 78, respectively.

MEXICAN MARKET FOR CARPETS

A. B. MUDDIMAN, CANADIAN TRADE COMMISSIONER

Mexico City, November 30, 1940.—Owing to hostilities in Europe, a good opportunity is afforded Canadian manufacturers of carpets to enter the Mexican market. The United States is now supplying nearly all the carpets imported into Mexico.

When war broke out in Europe, Mexican carpet buyers purchased stocks of European carpets in New York City. These stocks are now greatly reduced, and several firms are looking for new sources of supply. Quite recently one Canadian carpet firm established connections in this territory. Total imports are on a fairly large scale, but up-to-date official statistics are not available. The following notes have been prepared from information supplied by the trade.

QUALITIES AND SIZES DESIRED

There is a demand in this country for the following qualities: Wiltons, Chenille Axminsters and Spool Axminsters.

Sofas and rugs are generally bought in sets of two sofas 27 inches by 54 inches and one rug 54 inches by 84 inches. The most suitable sizes for squares are the following: 2 yards by 3 yards, 2½ yards by 3 yards, 2½ yards by 3½ yards, 3 yards and 3½ yards and 3 yards by 4 yards.

The current trend in Mexico is toward living in apartment houses and, as the rooms are small, large carpets are not in demand.

COLOURS AND PATTERNS

Due to the proximity of Mexico to the United States, Mexican buyers prefer the latest American patterns in carpets. There is little demand for colonial and oriental designs; the type of carpet now selling in Mexico is modernistic.

Mexican buyers have a preference for practical beige ground colours, but there is considerable demand for other ground colours such as bright blue, bright green, bright red, maroon, and pink.

Weight is not a drawback to sales of carpets in Mexico, as is the case with linoleum, since on woollen rugs and carpets import duties are assessed

per square metre and not by weight. The majority of Mexican buyers judge the quality of a rug or carpet by its weight and thickness, and there is, therefore, a greater demand for carpets and rugs with velvet pile than for those with curl pile.

Canadian manufacturers interested in introducing their products into the Mexican market will naturally have to compete with leading United States manufacturers and also take into consideration the higher freight rates from Canada. On the other hand, a Canadian firm has an advantage in exchange of 10 per cent as compared with United States exporters.

BUYING METHODS

The rug and carpet trade in Mexico is in the hands of large, well rated and solvent French department stores, who as a rule buy on open account and pay on receipt of the merchandise. A number of local firms also specialize in tapestry in general, and the majority of them are well regarded financially.

In Mexico City there are approximately fifteen important importers of woollen carpets, all of whom usually place substantial orders. Owing to the difficulty of obtaining carpets from the United Kingdom, many of these firms are now interested in Canada as a possible source of supply.

In the interior of the Republic there are approximately twenty other reliable firms who deal in carpets and who also place substantial orders. Two well-known agents in the carpet trade are in touch with the Trade Commissioner's office in Mexico City.

IMPORT DUTIES

On importation into Mexico woollen rugs and carpets with velvet pile and jute backing are dutiable at 6·30 pesos per square metre, and on woollen carpets and rugs with curl pile and jute backing the duty is 4·20 pesos per square metre.

PALESTINE'S ECONOMIC PROGRESS

FROM *The Economist* (LONDON)

The outbreak of war in September, 1939, brought about, indeed, an improvement in the general social and economic conditions of the country [Palestine]. It put an end to civil strife, and English, Arabs and Jews were drawn together to face the common peril and to readjust the economic life of the country. It was obvious from the outset that the principal export, citrus fruit, which formerly represented in value four-fifths of total exports, would be greatly restricted; and it was obvious also that Palestine would need to be more self-supporting, in the way both of food and manufactured goods, because of the difficulty of importing by the Mediterranean. In fact, the export of oranges fell for the season 1939-40 to just under half of what it was in the previous year—from 15½ million boxes to 7½ million boxes. That decline produced serious unemployment among the agricultural labourers and a minor financial crisis. For the coming season, the Government has come to the help of the orange growers. It has guaranteed a loan of £750,000 to be advanced to the citrus growers for the cultivation of their groves, at the rate of £4 a dunam (a quarter of an acre) for fruit-bearing groves and £2 a dunam in other cases.

Now that the Mediterranean is almost closed to ordinary commercial vessels, it is to be expected that exports of oranges to Great Britain will be still more drastically reduced. On the other hand, the production of other forms of agricultural produce has steadily risen, and the presence of a large and growing army coming from Great Britain and from Australia has meant

the expansion of the home market. In the Jewish settlements, the grain-growing area has been increased by a quarter, and, fortunately, there has been an excellent crop. Whereas in 1938 the production of wheat was 89,000 tons, last year it was estimated at 160,000 tons. It is expected that Palestine will be able to supply 75 per cent of its requirements of flour.

FARMING AND FISHING

There has been a similar increase in the production of dairy produce and vegetables. The Jewish settlements in particular have been steadily developing these forms of production. Their farms had a yield of 58 million eggs in 1939, compared with 48 millions in the previous year, and in 1940 the quantity will be considerably higher. The expansion in market gardening, sheep farming and the cultivation of bananas and grapes is equally marked, and another striking increase is in the quantity of honey produced in the Jewish settlements, which leapt up from 45 tons in 1938 to 134 tons in 1939. Factories have been established for the preparation of preserved fruit and vegetables. Necessity again has stimulated the fishing industry, which in the past was inadequate for local needs. Several villages of Jewish settlers have been planted on the coast, which are entirely engaged in deep sea fishing, and Palestine will become more and more independent of imports which formerly came from Egypt and beyond. On the other hand, the port industries of Palestine have received a serious setback since Italy came into the war. Inevitably, the shipping is restricted almost entirely to the needs of the military forces.

INDUSTRIAL DEVELOPMENT

Industrial development, which had previously been steadily rising, has received an equal stimulus. Palestine bids fair to be soon self-supporting, or rather self-supplying, in textiles and in metal goods. Until the French collapse, the export of textiles to Syria showed a marked increase. The most significant expansion has been in the Dead Sea minerals, the export of which has been doubled since the outbreak of the war and now amounts to the value of nearly £1,000,000 a year. Palestine is to-day the principal source of potash and bromides for Great Britain and other parts of the British Commonwealth. The cessation of trade with Europe has led also to the development of the pharmaceutical and chemical industries, for which there are many skilled workers among those driven from Germany and Czecho-Slovakia.

BUILDING

While the building industry has been hit by the check to the inflow of immigration and of capital, both the Government and the Army have given employment on a large scale. The budget of the Government includes a sum of nearly £22½ millions for public works, the largest single item in the expenditure. Part of that sum—£750,000—represents a special grant which the Administration made in the early months of the war for the relief of unemployment by expediting various building enterprises. Another large part of the sum is for the construction of permanent police barracks, with a view to strengthening public security. The Army, for its part, is engaged in building houses, barracks and guard-rooms in the principal cities and camps. That work has absorbed, in recent months, some thousands of Jewish workers who had been ousted from the private building trade or from the citrus industry. The large cement factory, one of the biggest industrial enterprises in the country, has been kept busy day and night; and new factories have been started for equipment made out of scrap iron and for bricks.

OIL

It was fortunate that the big oil refinery at Haifa, an enterprise of the Iraq Petroleum Company, was completed in the early months of the war, before Italy became a belligerent. It has suffered some damage from air raids, but that has been quickly repaired, and there will be no shortage of fuel oil. The cutting off of the branch of the oil pipe line from the Mosul field, which had its outlet at Tripoli, has given an added importance to the main line, with its outlet at Haifa, and it is to-day one of the principal sources of supply for the British naval forces in the Mediterranean.

TARIFF CHANGES AND TRADE REGULATIONS

Australia

AMENDMENTS TO IMPORT LICENSING REGULATIONS

Mr. L. M. Cosgrave, Canadian Trade Commissioner at Sydney, writes that the following changes of interest to Canada in the Customs (Import Control) Regulations have recently been announced:—

Aluminium.—Effective November 21, 1940, until further notice licences will not be issued, except for defence purposes and when covered by a "Supply Certificate", for the importation from sterling as well as from non-sterling countries of: aluminium blocks, cubes, ingots, pigs, scrap and granulated; aluminium angles, bars, pipes, plates, rods, sheets, strips, tees and tubes, not further manufactured than plated, polished or decorated; aluminium wire; aluminium alloys, blocks, ingots, pigs; aluminium alloys, angles, bars, channels, pipes, plates, rods, sheets, strips, tees and tubes, not further manufactured than plated, polished or decorated; aluminium alloy scrap; and aluminium for use in the manufacture of goods within Australia as prescribed by Departmental by-laws.

Pine Tar and Pine Tar Oil.—Licences for the importation of pine tar and pine tar oil for use solely in the manufacture of rubber goods will be issued freely, as and when required, irrespective of quantity, value, origin, or the relationship to the applicant's importations in the base year.

Borax and Boracic Acid.—Until further notice licences for the importation of borax and boracic acid may continue to be issued on a quantity basis. Licences in excess of normal allocations for boracic acid (on a quantity basis) may continue to be issued subject to the following conditions: (a) the licence shall be endorsed "subject to the condition that the boric acid covered by this licence will be used in the treatment of plywood and/or veneers under security"; (b) that a single transaction security shall be lodged for each importation and such security shall be in an amount equal to one-quarter of the value of the boric acid imported thereunder.

Trinidad

TEMPORARY IMPORT RESTRICTIONS ON BUTTER AND OIL MEAL

Mr. G. A. Newman, Acting Canadian Trade Commissioner at Port-of-Spain, Trinidad, writes that the Trinidad Control Board issued a notice on November 23, suspending licence for the import of butter until the first half of December, and on the import of oil meal from all sources for the remainder of 1940.

United States

ALLOCATION OF QUOTA ON HEAVY CATTLE FOR 1941

A proclamation signed by the President of the United States on November 30, 1940, allocated to Canada 86.2 per cent and to other countries 13.8

per cent of the United States tariff quota for 1941 of cattle weighing 700 pounds or more each (dairy cows excepted). The quota in question is based on the terms of the trade agreement with Canada signed on November 17, 1938. The agreement provides that not more than 225,000 head of such cattle may be imported in any calendar year at a rate of duty of $1\frac{1}{2}$ cents per pound, and that not more than 60,000 head of this quantity may be imported in any quarter year. Imports above these amounts are dutiable at three cents per pound.

Allocation of the heavy cattle quota, first established to cover the last three quarters of the year 1939, was based on imports into the United States during the years 1936 and 1937. The above-mentioned proportions are also the same as those established for the calendar year 1940. As applied to the total maximum annual quota, following are allocations for the calendar year 1941: Canada, 193,950 head; other foreign countries, 31,050 head. The total maximum quarterly quota of 60,000 head has also been allocated, on the basis of the same percentages, as follows: Canada, 51,720 head; other foreign countries, 8,280.

CANADIAN FOX FUR QUOTA INCREASED

A Supplementary Trade Agreement between Canada and the United States, signed on December 13 increases from 58,300 to 70,000 the number of Canadian silver or black fox fur skins which may be imported during a quota year, exempts higher-valued animals from quota limitations, and establishes separate quotas for parts and articles made of fox furs and skins. The share to all other foreign countries is 30,000. The agreement limits the total imports into the United States of silver or black foxes valued at less than \$250 each and whole silver or black fox furs and skins to 100,000 units in any twelve-month period beginning December 1, 1941, or any subsequent year.

The new agreement becomes effective December 20, 1940. For the period December 20, 1940, to November 30, 1941, the quota is 100,000 less the number imported from December 1 to December 19, 1940 (during which period the quota provisions of the original Supplementary Trade Agreement signed December 30, 1939, remain in force).

Allocation of shares in the quota is based on United States imports of silver foxes and silver fox furs during the year 1939. Imports from any individual country which did not participate in the trade in 1939 may not exceed 500 silver foxes and furs. The countries which participated in the trade in 1939 are: Norway, United Kingdom, Finland, Union of Soviet Socialist Republics, France, Sweden, Newfoundland and Labrador, Mexico, and Iceland.

As in the previous agreement, not more than 25 per cent of the articles entitled to enter from Canada or from other countries during any quota period may be imported in any one month. For the purpose of this provision, the period December 20 to December 31, 1940, will be considered as a month, but there will be deducted from the amounts permitted to enter during that period the imports during the period December 1 to December 19, 1940.

Exemption of live silver foxes valued at \$250 each or more from the quota limitations is designed to avoid restriction of imports of animals for breeding purposes. It is also provided that live silver foxes valued at \$150 or more each which are shipped to the United States prior to the effective period of the new agreement, will not be subject to the quota limitations.

In addition to the quota on live animals and whole furs and skins, separate unallocated quotas have been established for parts and articles of fox furs as follows:

- (a) Tails of silver or black foxes—5,000 pieces.
- (b) The paws, heads, or other separated parts of silver or black fox furs and skins (other than tails)—500 pounds.

- (c) Piece plates made of pieces of silver or black fox furs and skins—550 pounds.
- (d) Articles, other than piece plates, made wholly or in chief value of one or more silver or black fox furs or skins or parts of such furs or skins—500 units. A unit is defined as any whole silver or black fox fur or skin or any part of such fur or skin contained in such articles.

The quotas of these articles are for any twelve-month period beginning on December 1 in the year 1941, or any subsequent year. For the period December 20, 1940, to November 30, 1941, the quantities entitled to enter will be the quantities shown minus the respective quantities of such classes of articles imported during the period from December 1 to December 19, 1940.

Reduction in duty from $37\frac{1}{2}$ to 35 per cent ad valorem on silver or black fox furs and skins is continued. The duty on live foxes remains at 15 per cent ad valorem, the rate fixed in the Tariff Act of 1930.

The new agreement, which was signed at Washington on December 13, 1940, by Honourable Loring C. Christie, Canadian Minister to Washington, and by Honourable Cordell Hull, United States Secretary of State, like the original Supplementary Agreement which it replaces, becomes an integral part of the Trade Agreement between the United States and Canada signed on November 17, 1938. It is terminable as a part of that Agreement, or separately at any time, by agreement between the two Governments, or on ninety days' written notice by either Government if, after consultation with the other, it considers that emergency conditions which have given rise to the conclusion of the Supplementary Agreement have ceased to exist or have become substantially modified.

Haiti

DUTY REDUCTIONS IN FRANCO-HAITIAN TRADE AGREEMENT CANCELLED

Mr. C. S. Bissett, Canadian Trade Commissioner at Havana, writes that an exchange of notes between Haiti and France has suspended indefinitely, as from October 19, the application of the Franco-Haitian Trade Agreement.

Under the terms of this agreement, certain goods were granted a reduction of $33\frac{1}{3}$ per cent from normal minimum tariff rates, and, by virtue of the Canada-Haiti Trade Agreement, similar goods of Canadian origin were entitled to the same reduction. The goods affected by the cancellation of conventional rates, and the normal minimum tariffs now effective, are as follows: religious articles, 80c. per lb. or 40 per cent ad val.; conduits and pipes of cast iron, 60c. per 100 lbs.; pipe fittings of cast iron, \$2 per 100 lbs.; coppers and boilers of cast iron, \$1.70 per 100 lbs.; kitchen utensils of cast iron, \$2.50 per 100 lbs.; pipes or conduits coated with any common metal or enamelled, \$4 per 100 lbs.; T-joints, elbows, valves, \$5 per 100 lbs.; surgical instruments of all kinds, 35c. per lb. or 20 per cent ad val.; castile soap, \$4 per 100 lbs. or 20 per cent ad val.; ultra-marine blue, \$5 per 100 lbs. or 20 per cent ad val.; shirts, vests and pants, not knitted, plain, of wool, hair or horsehair, 80c. per lb. or 30 per cent ad val.; pinholders, knitting or crochet needles, 30c. per lb.; vinegar, about 1·8c. per pint.

The suspension of the Franco-Haitian Trade Agreement also cancels a reduction of $33\frac{1}{3}$ per cent for "pipes or conduits, black, galvanized, polished, painted or not, including stove pipes of wrought iron, steel or malleable cast iron." However, as there is a conventional rate of 70c. per 100 lbs. under the United States-Haiti Trade Agreement, this would apply to Canada in virtue of our most-favoured-nation agreement with Haiti. The normal minimum tariff rate is \$1 per 100 lbs.

Curacao (Netherlands West Indies)

EXCHANGE CONDITIONS

Information has been received from Mr. F. E. H. Groenman, Minister for the Netherlands in Ottawa, that the Government of Curacao (Netherlands West Indies) established on November 30, 1940, a new set of exchange control regulations, providing for compulsory registration of foreign exchange and holdings. The regulations, it is stated, for the present have a purely administrative significance and are meant to enable the Government to supervise the exchange situation in Curacao. Meanwhile, business payments to foreign countries continue as heretofore and the authorities are anxious not to disturb foreign trade unnecessarily.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING DEC. 16, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, December 16, 1940, and for the week ending Monday, December 9, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Dec. 9	Nominal Quotations in Montreal Week ending Dec. 16	Official Bank Rate
Finland	Markka	.0252	\$.0213	\$.0216	4
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Hungary	Pengo	.1749	.3227	.3227	4
Yugoslavia	Dinar	.0176	.0249	.0249	5
Portugal	Escudo	.0442	.0443	.0443	4-4½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2644	.2644	3½
Switzerland	Franc	.1930	.2576	.2575	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2268	.2270	3
Jamaica	Pound	4.8666	4.4800	4.4800	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2620	.2609	—
Brazil	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0557	.0557	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6333	.6343	4
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4382	.4383	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.6000	4.6000	—
China (Shanghai)	Dollar	.....	.0652	.0638	—
Hongkong	Dollar	.....	.2617	.2618	—
India	Ruppee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2602	.2602	3.29
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5760	3.5760	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Men's Furnishings.....	710	Mexico City, Mexico.....	Agency.
Leather Gloves.....	711	Mexico City, Mexico.....	Agency.
Woollen Suits.....	712	Mexico City, Mexico.....	Agency.
Road Machinery.....	713	Mexico City, Mexico.....	Agency.
Mono-ammonium Phosphate....	714	Mexico City, Mexico.....	Agency.
Chemicals.....	715	Singapore, Straits Settlements.	Purchase and Agency.

COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: Acting Trade Commissioner. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

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CANADIAN GOVERNMENT TRADE COMMISSIONERS—Con

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: J. H. ENGLISH. Address for letters—P.O. Box 715. Office—Prudential Assurance Building, 92 Fox Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Aldine House, Bedford Street, Strand, W.C.2. *Cable address, Canfrucum.* (Territory—for fresh fruit only—includes United Kingdom, Sweden, and France.)

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W. 1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: E. L. MCCOLL, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: B. C. BUTLER, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

COMMERCIAL INTELLIGENCE JOURNAL

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Ottawa, December 28, 1940

No. 1926



Schooner from which Three Million Feet of Canadian Lumber were recently discharged at Sydney, Australia

ISSUED BY AUTHORITY OF

THE HON. JAMES A. MacKINNON, MINISTER OF TRADE AND COMMERCE

L. D. WILGRESS, DEPUTY MINISTER



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No. 1926

MARKET FOR LUMBER IN AUSTRALIA

R. P. BOWER, ASSISTANT TRADE COMMISSIONER

(Values of imports are shown in pounds sterling; other values are in Australian pounds)

Sydney, November 11, 1940.—Ever since 1876, when a sailing ship from Vancouver brought the first cargo of Canadian lumber to Australia, this country has been an important market for Canadian timber. For some years Australia has been the third largest purchaser of Canadian timber, following the United States and the United Kingdom. According to Canadian statistics, exports of unmanufactured or partially manufactured wood to Australia during the past five years have averaged approximately 300,000,000 ft. b.m. per annum valued at \$3,754,000, representing over 50 per cent of Australia's imports of timber.

Of this quantity about 90,000,000 super. feet per annum is shipped in the form of hemlock flitches for box-making purposes. The remainder comprises Douglas fir logs and sawn timbers in sizes dictated by the Australian tariff structure. Until the war started and freight rates increased so drastically, approximately 70 per cent of the Douglas fir arriving on the Australian market was in the form of logs. Since shipping space is now at a premium and since sawn lumber stows better than logs, the tendency in recent months has been away from logs to the sawn product.

Of the total quantity of West Coast timbers shipped to Australia, approximately 90 per cent comes from Canada. The main item shipped from the United States is California redwood. The other species shipped from Canada, in order of importance, are Sitka spruce, Western red cedar and Western white pine.

PER CAPITA CONSUMPTION

Statistics are not available to show the per capita consumption of timber in Australia, although data have been collected for the State of New South Wales, which in the absence of more complete information may be considered typical of the whole Commonwealth. These figures show that production and imports have varied widely in recent years:—

Per Capita Timber Consumption in New South Wales

	1913-14	1919-20	1927-28	1930-31	1937-38
	Figures in Feet Board Measure				
Per capita local production ..	45	62	69	29	80
Per capita imports	82	30	63	10	41
Total	127	92	132	39	121

If exports for the 1937-38 period are subtracted, the per capita consumption works out at approximately 112 ft. b.m. per annum. This compares with a per capita consumption of timber in Canada in 1936 of approximately 180 ft. b.m. Aside from the natural conditions that might affect the use of timber in any country (white ants and borers in Australia), the dominant factor is price, and the relation that price bears to other structural media determines

to a large extent the per capita consumption of timber. Next to price the principal items affecting the use of timber in Australia are insurance rates and government regulations applying to wooden structures.

PRICE

The main factor affecting the price of timber in Australia is the tariff. Until 1932 this tariff was comparable with that in most other timber-importing countries, and was designed for the protection of the native industry. Since that date, however, a number of increases have occurred until to-day it is extremely high, being in the neighbourhood of 200 per cent, and in some cases 250 per cent, of the f.o.b. value. Moreover, this high rate of duty is on rough sawn timber of specified sizes, the rate increasing as the size decreases. If there is any dressing or manufacture in addition to rough sawing, the duty is practically doubled, i.e. to about 400 per cent.

Another factor influencing the cost of timber on the Australian market is the freight rate on the Pacific. Until the commencement of the present war, the average rate from British Columbia to Australian ports under full charter was in the neighbourhood of \$9 per 1,000 ft. b.m. Under present conditions it is anywhere between \$25 and \$35 per 1,000 ft. b.m. for sawn. Similarly the rate on logs has increased from about \$11.50 to between \$35 and \$40 per 1,000 feet Brereton measurement. The normal freight rate of \$9 for trans-pacific shipment compares very favourably with the inter-coastal rates charged between the main Australian ports: 4s. 6d. per 100 feet (\$8.10 per 1,000 feet) from Sydney to Brisbane; 6s. 6d. per 100 feet (\$11.70 per 1,000 feet) from New Zealand to Australia; and approximately £1 per 100 feet (\$36 per 1,000 feet) from Sydney to Darwin.

Excluding the depression years, normal importations of West Coast timber into Australia have been in the neighbourhood of 300,000,000 feet per annum. Regardless of whether the duty was 1s. or 12s. or higher, imports of timber into Australia, at least for the past three decades, have always borne a constant ratio to native production. During good times and bad, with duties high or low, the proportion of imports has been in the neighbourhood of 30 per cent.

PRODUCTION COSTS

Although not subject to tariffs or overseas freight charges, locally produced timber is so expensive that its use must also be restricted. A number of factors contribute to the high cost of these timbers, including the scattered nature of the timber stands, which make it uneconomic to install large and efficient logging and cutting methods, the distance of the stands from the leading markets, and the weights of most woods as compared with those of North American varieties. In addition, the State Governments are opposed to granting large timber areas to any one concern, so that the erection of large mills is not economic. Statistics show that the average production of an Australian sawmill is less than 2,000 ft. b.m. per day. Timber from Australian sawmills costs about 20s. to 25s. (\$3.55 to \$4.25) to produce at the mill as compared with Canadian costs of 5s. to 10s. (\$0.90 to \$1.77) per 100 ft. b.m.

TIMBER RESOURCES

The bulk of Australia's present domestic supplies comes from the thickly forested areas in the 30-inch and over rainfall belt south of the tropics and the 70-inch and over belt within the tropics. The total forest area included in the divisions specified is comparatively small, and represents only 1 per cent of the total area of the Commonwealth, as compared with 33 per cent for Canada and 73½ per cent for Finland. It is generally considered that when the forest area in any country falls below 0.86 acre per head of population that country will be obliged to import timber. Australia possesses 2.8 acres of forest per head

of population, yet is obliged to import every year quantities considerably in excess of her exports. There are three reasons for this. In the first place, much of the land classed as forest land is non-reproductive, and considerable portions of it have been burned over. Secondly, Australia does not possess a supply of softwoods and must therefore import the bulk of its requirements from overseas. Thirdly, many of the varieties have no particular commercial outlet at the present time.

Over 90 per cent of the timber trees in Australia consist of hardwoods belonging to the genus *Eucalyptus* (gum trees). Including the mallees, over 400 species are not recognized, but the chief commercial varieties are confined to about 50 species. The coastal strip in Queensland and Northern New South Wales also furnishes quantities of hoop pine and furniture timbers such as black bean, Queensland walnut and maple, and silkwood. Estimates of standing and accessible merchantable timber in Australia and Tasmania vary widely, but it is probably in the neighbourhood of 90,000,000,000 feet. For the twelve months ended June 30, 1939, 625,000,000 feet of this timber was cut, some of which was exported.

A report entitled "Australia's Sawmilling Industry," published in *Commercial Intelligence Journal* No. 1909 (August 31, 1940), page 322, gives the latest available information on the extent of the industry and the competition it offers to imported types, particularly West Coast timbers.

COMPETITION FROM OTHER MATERIALS

While there are a number of factors operating to keep the price of timber in Australia above the price in Canada, competing building materials, such as concrete, bricks and steel, are sold at prices which compare very favourably with those prevailing in Canada. For example, based on a price of approximately \$15.60 a ton for cement, the Readymix Concrete organization in Australia will deliver aggregate to the jobsite for the equivalent of \$7.10 per cubic yard. The cost in place of concrete, which includes form cost, reinforcing and all other charges, is in the neighbourhood of \$19.50 per cubic yard.

Steel prices are as low in Australia as in any other part of the Empire, the low-cost mills in this country being in a position to compete successfully on the British market. The basis price to-day for Australian steel is the equivalent of \$48 per ton of 2,240 pounds, while the cost of light-type structural steel, such as roof trusses, is approximately \$114 per long ton erected. By comparison the Canadian basis price is in the neighbourhood of \$58 per long ton.

The cost of bricks in Australia varies with the proximity of the centre to brick-producing plants. In Sydney common bricks are sold for the equivalent of \$14.20 per thousand, while face bricks range in price from \$21.30 to \$26.30 per thousand. The price for common brick is approximately \$89 per rod laid. This is for 272 square feet of 14-inch wall, and is roughly equal to \$21.50 per 100 square feet of 9-inch wall.

As a consequence of the competitiveness of these materials with timber, the engineering profession, architects, and contractors do not use, and are not trained to use, timber to the same extent as in most other countries. Where wooden bridges and trestles would be used in Canada, steel or reinforced concrete will be seen in Australia, simply because timber, whether native or imported, cannot compete on a price basis with substitute materials. For home construction, plasterboards are used in place of siding, and galvanized iron and tiles in place of shingles. The prices of these commodities also are less than those of lumber.

INSURANCE RATES

The insurance rates for buildings of wooden construction in Australia depend upon a number of factors, such as the situation (whether the building

is in the city, town or country), the purpose for which the building is to be used, and the grouping, that is the proximity to other buildings of wooden construction. In country areas the rates take into account the fire protection services and the water supply, but in all categories the rates on wooden houses are much higher than in Canada or the United Kingdom. In Sydney, for example, a single wooden dwelling, removed from other wooden buildings, would be assessed at the rate of \$37.50 per thousand as compared with \$1.25 per thousand for a brick house. By way of comparison, in Toronto the best rate for frame construction is \$5.40 per thousand.

The above rate is the lowest applying to wooden structures in New South Wales, the highest being the equivalent of \$153, which applies to certain manufacturing risks in country districts. It is true that the danger from bush fires is extreme in certain parts of the country, particularly during the summer months and throughout drought periods, but the rates are almost invariably higher than in other countries where the fire risks may be considered comparable. To a large extent it is a matter of convincing the insurance companies that frame buildings are not the fire hazard that is indicated by their rates. A similar situation existed in the United Kingdom some years ago, when a comprehensive cover for a frame house cost an average of \$5.25 per thousand. This was subsequently reduced to approximately \$1.75 per thousand.

BUILDING RESTRICTIONS

Aside from the question of the fire hazard which is considered to exist where frame buildings are concerned, a greater drawback to a more widespread use of timber in Australia for building purposes is undoubtedly the antipathy which exists on the part of many of the municipalities to wooden buildings of any description. This has its origin in the utter lack of imagination that characterized the design of the early wooden houses erected in this country. Many of these houses were built by settlers from timber of doubtful constructional value and of poor appearance and quite frequently by the owners themselves, who were more interested in erecting an immediate shelter than in any aesthetic appeal which their efforts might have for future generations.

Many of the municipal councils have not been convinced that attractive frame houses are possible, and they place so many obstructions in the way of prospective builders that oftentimes the idea of building of wood is abandoned for some other material where the attendant conditions are not so exacting. One suburb of Sydney, largely residential, with an area of 34 square miles, has a prohibited zone for wooden houses amounting to 29 square miles and a small zone of five square miles where wooden houses may be erected under certain conditions. A second suburb, which is largely industrial, prohibits wooden houses in about 80 per cent of its area and restricts them in the remainder. A third suburb, which is semi-industrial, prohibits frame houses entirely, stipulating that all walls must be nine inches of brick or its equivalent in cement or stone.

Except in suburbs adjacent to bushlands the objection of the municipalities to frame houses is not on account of the fire hazard but because they are considered unsightly. It is maintained that such dwellings require periodical expenditures for paint and other maintenance which it is conceivable some owners may be unable to make in the future. Where it can be shown that the owner will unquestionably be able to keep the property in good repair, permission is nevertheless refused in order that there may be no charge of class distinction. With brick or stone dwellings, on the other hand, a minimum of attention is required to keep the outside surfaces presentable in appearance. While the attitudes of the different municipalities vary, the three examples quoted above are typical, although particularly in Queensland, and to a lesser extent in parts of Western Australia and Victoria, where only moderate restrictions exist and where the areas are adjacent to timber supplies, frame houses are numerous.

To break down this widespread objection to wooden structures and to publicize the good qualities of wood for numerous purposes, the timber interests have formed, and are financing, the Timber Development Association of Australia, which maintains offices in all the states. This body is attempting to obtain more favourable insurance rates on wooden buildings and to remove or modify the restrictions against them in so many municipalities. In South Australia a bill is now before the legislature, sponsored by the Timber Development Association and allied interests, to remove many of the restrictions against wooden structures in that state. In view of the deep-rooted objection to frame houses and the reluctance of the insurance companies to adjust their rates, it is likely to be a long time before any widespread constructive headway is made.

IMPORTS AND TARIFF

A review of statistics indicates that approximately 94 per cent of the timber imported into Australia consists of undressed timber, including logs. This is due to the tariff structure, which provides higher rates for dressed timbers and for the smaller sizes of undressed timbers.

Logs

In the past decade a valuable trade has developed in logs from the West Coast of Canada. A number of Australian mills, particularly in the neighbourhood of Sydney, Adelaide and Melbourne, have been equipped to handle large logs, and during the twelve months ended June 30, 1939, 143 million feet of Douglas fir logs (Brereton measurement) were imported for sawing in Australia in addition to approximately 6 million feet imported for use in the manufacture of plywood and veneers. Canada was the sole supplier of these logs during 1939, with shipments valued at approximately \$2,000,000. In addition there were 1,800,000 feet of other Canadian logs imported—entirely from the West Coast—consisting of hemlock, spruce and Western red cedar. A number of other countries supplied logs to Australian mills during the year, including British Borneo (2 million feet), Solomon Islands (2½ million feet), Philippine Islands (2 million feet), New Guinea (1·8 million feet) and New Caledonia (1·6 million feet). Imports from these latter countries were almost entirely of ornamental timbers for the plywood and veneer industries.

Logs for the veneer and plywood trade are subject to an ad valorem duty of 5 per cent when of Empire origin and 10 per cent otherwise. A primage duty of 10 per cent applies irrespective of origin, while a surcharge of 10 per cent on all duties payable is now charged on all dutiable imports as a wartime revenue measure.

Douglas fir logs for local sawing are dutiable at 4s. per 100 board feet, Brereton measurement, under the British preferential tariff, and 4s. 6d. per 100 under the general tariff. Primage duty is 5 per cent and 10 per cent respectively.

UNDRESSED TIMBERS

DOUGLAS FIR

Australian tariff rates on undressed Douglas fir vary with the size of the timber, the higher rates applying against the smaller sizes. The three most important classifications, with the respective rates, are as follows:—

Duties on Undressed Douglas Fir

	British Preferential Tariff	General Tariff
	Per 100 Ft. B.M.	
(1) Undressed timber, 12 ins. by 10 ins. (or its equivalent) and over.	10s. 6d.	12s. 6d.
(2) Undressed timber, 7 ins. by 2½ ins. and upwards and less than 12 ins. by 10 ins.	12s. 0d.	14s. 0d.
(3) Undressed timber, in sizes less than 7 ins. by 2½ ins. . .	13s. 6d.	15s. 6d.
Primage on above sizes.	5%	10%

The difference in rates is reflected in the volume of imports of the various sizes, as shown in the following table showing imports of Douglas fir only for the 12 months ended June 30, 1939:—

Australian Imports of Douglas Fir, 1938-39

	1,000 Ft. B.M.	£Stg.
Size 12 ins. by 10 ins. or its equivalent and over—		
Canada	13,723.0	56,112
Size 7 ins. by 2½ ins. and upwards and less than 12 ins. by 10 ins.—		
Canada	9,703.0	41,609
United States	4.6	13
In sizes less than 7 ins. by 2½ ins.—		
Canada	4,489.0	21,468
United Kingdom	1.8	159
United States	15.0	39

When Douglas fir is imported in sizes 12 inches by 6 inches (or its equivalent) and over for use underground for mining purposes, it is admitted free of duty. During the twelve months ended June 30, 1939, Canada supplied for this purpose 20 million ft. b.m. valued at £70,814. No other sources are recorded.

WESTERN RED CEDAR AND REDWOOD

The tariff rate on Western red cedar and on redwood is similar to that on Douglas fir in that higher rates apply on the smaller sizes, although rates are actually lower, as the following table indicates:—

Duties on Western Red Cedar and Redwood

	British Preferential Tariff Per 100 Ft. B.M.	General Tariff
Sizes 12 ins. by 6 ins. (or its equivalent) and over	2s. 0d.	4s. 0d.
Primage duty	10%	10%
Sizes 8 ins. by 2 ins. and upwards and less than 12 ins. by 6 ins.	3s. 0d.	5s. 6d.
Primage duty	5%	10%
Sizes less than 8 ins. by 2 ins. or its equivalent	8s. 0d.	10s. 0d.
Primage duty	5%	10%

Imports of these timbers during the twelve months ended June 30, 1939, were as follows:—

Australian Imports of Western Red Cedar and Redwood

	1,000 Ft. B.M.	£Stg.
Sizes 12 ins. by 6 ins. and over—		
Western red cedar—		
Canada	105.5	493
Redwood—		
United States	55.9	806
Sizes 8 ins. by 2 ins. and upwards and less than 12 ins. by 6 ins.—		
Western red cedar—		
Canada	76.0	583
United States	28.7	431
Redwood—		
Canada	63.0	828
United States	2,648.0	38,838
Sizes less than 8 ins. by 2 ins.—		
Western red cedar—		
Canada	182.6	2,142
United States	73.0	995
Redwood—		
Canada	6.8	106
United States	3,925.0	55,125

Redwood is distinctly a specialty item on the Australian market, and local mills have not found it economic to buy the larger sizes and cut them down despite the lower duties applying to such sizes. The principal outlet is for sidings, weatherboards or general joinery purposes, and the loss from cutting

larger sizes down is in most cases greater than the saving effected by importing under the lower tariff classifications.

OTHER TIMBERS

Over 90 per cent of the undressed timber imported from Canada (other than that specifically purchased for the manufacture of boxes) is included under the two foregoing headings. The remaining 10 per cent is made up of a number of classifications, including "other undressed timber in sizes 7 inches by $2\frac{1}{2}$ inches, or its equivalent, and upwards", of which imports from Canada in 1938-39 amounted to 7 million feet valued at £23,384 out of total imports valued at £77,959. The other suppliers under this heading were the United States ($1\frac{3}{4}$ million feet), the Philippine Islands (1,100,000 feet), and New Zealand (718,000 feet). Other undressed timber in sizes less than 7 inches by $2\frac{1}{2}$ inches accounted for imports from Canada of 1,500,000 feet valued at £8,667 as compared with total imports of 24,600,000 feet valued at £250,000. The leading suppliers under this heading were New Zealand (10,420,000 ft. b.m.), Sweden (3,460,000 feet), Philippine Islands (3,224,000 feet), United States (2,438,000 feet), and Finland (1,700,000 feet).

A special duty of 4s. per 100 ft. b.m., plus 10 per cent primage, applies to undressed Empire timbers in sizes less than 7 feet 6 inches by $10\frac{1}{2}$ inches by $2\frac{1}{2}$ inches for use in the manufacture of doors. During 1938-39 a total of $2\frac{3}{4}$ million feet of such lumber valued at £39,000 was imported. Canada, with $1\frac{1}{2}$ million feet valued at £21,000, was the principal supplier, followed by the United States (718,500 feet), and the Philippines (553,847 feet). Foreign imports pay 6s. per 100 feet duty, plus 10 per cent primage.

BOX TIMBERS

Undressed timbers of Empire origin in specified sizes are admitted into Australia free of duty (except for a primage duty of 10 per cent) when they are to be used solely in the manufacture of boxes. The general rate is 1s. per 100 ft. b.m. plus 10 per cent primage duty. Timbers so admitted must be not less than 4 inches in width and not less than 3 inches in thickness. During the twelve months ended June 30, 1939, Canada, with 86,600,000 feet valued at £278,650 out of total imports of 87 million feet, was the only supplier of importance. Shipments came entirely from the West Coast and consisted almost exclusively of hemlock. Shipment is made in pieces ranging from 3 inches and thicker by 4 inches and wider (mostly 3 inches in thickness by 4 inches to 12 inches in width), lengths 8 to 24 feet, in a grade known as 75 per cent merchantable, 25 per cent box grade.

The dried, fresh fruit, and canned fruit industries provide the principal industrial outlet for boxes made of Canadian hemlock, but by far the major part of the total quantity used is for the general box trade, such as the whisky, beer and wine trades, all classes of bottled goods, sheet steel, corrugated iron, etc.

Because of its price and suitability it is generally preferred to any of the local box timbers that compete with it. There is a limit, however, to the premium that users will pay for hemlock, and the higher prices for the imported varieties which have ruled since the war and have forced ocean freight rates up to present levels, have diverted a certain amount of business to local species. It is unlikely that the Australian industry has the raw materials or the mill capacity to satisfy the entire Australian demand for wooden cases, so that the continued importation of at least some box timbers seems assured.

Under normal peacetime conditions hemlock costs in the neighbourhood of 15s. per 100 super. feet laid down in merchants' yards. In similar times substitute native timbers, due to higher manufacturing costs, averaged 20s. per

IMPORT RESTRICTIONS

The war has created such a demand in Australia for dollar exchange to pay for essential wartime commodities that it has been found necessary to curtail dollar expenditures on other lines. As a result all imports from dollar countries (which include Canada) are subject to licence. The least necessary articles are prohibited entirely, while others are restricted in varying degrees. The amount of any permissible import which an importer may purchase is based upon his purchases of the same commodity during the twelve months ended June 30, 1939. He may be allowed to purchase 100 per cent, 75 per cent, 50 per cent or 25 per cent of the value of his purchases during that period, or he may be prohibited entirely from purchasing. Certain types of imported timber have been classed as non-essential, either because the authorities consider them unnecessary or because suitable substitutes are available locally. Imports of even admissible types are restricted, because the regulations provide that quotas shall be based on the value of importations during the base year. Since the f.o.b. value of timber has increased as well as the freight and insurance charges, it follows that a given sum of dollar exchange will not purchase the same quantity of timber to-day as it did during the base year. Categories have been established to indicate the degree of importance attached to the various products, "A" representing very important, "B" important, "C" less important, and "D" unimportant. Class "D" goods are at present prohibited.

For the purpose of administering the restrictions on timber, the year has been divided into three periods of four months each. During each period importers may apply for licences to import permissible items to the extent of one-third the value of their base-year imports. A certain amount of latitude is allowed timber importers, and they may group imports made under a number of headings for the purpose of establishing a quota to import under any one heading. For example, an importer with a history of importations of both logs and sawn timber during the base year could determine the total value of his imports under these headings and use this total as the basis for a claim for a licence to import all sawn timber or all logs, whichever he preferred. Timber importers are also allowed to carry forward from one licensing period to the next any unused portion of a licence or quota.

Fortunately very few of the Canadian types which are of importance on the Australian market have been banned or restricted. The following classifications have been given a "B" rating and are thus admitted up to the value of imports during the base year:—

Logs, not sawn, for use in the manufacture of plywood and veneers.

Douglas fir for mine props and other undressed types and sizes.

Other unsawn logs.

Undressed redwood, Western red cedar, Douglas fir.

Undressed timber, not less than 4 inches in width and 3 inches in thickness for use in the manufacture of boxes (except hemlock).

Timber for making boxes, dressed or partly dressed, being cut to size.

Staves, undressed, and staves dressed or partly dressed but not shaped.

Last blocks, rough sawn, or rough turned.

The following types have been given a "C" rating and are not yet subject to restriction:—

Timber, undressed, but cut to size, for making boxes.

Timber, bent, or cut into shape, dressed or partly dressed.

Grooved and tongued timber and weatherboard.

Undressed timber in specified sizes for use in the manufacture of doors.

Prohibited imports include plywood; veneers; laths; palings; undressed pickets; shingles; mouldings and skirtings; doors, wholly or partly made up; door panels; and finished last blocks.

Until August 1, 1940, hemlock was treated exactly the same as other West Coast timbers, but as from that date the issue of import licences covering

hemlock has been suspended. The principal use for hemlock in Australia is for box making, and it was felt that local timbers, although inferior in many respects, would provide a suitable wartime substitute. It is unlikely that local mills will be able to cope with the entire demand, and some modification of the present prohibition will probably be necessary, especially in the districts where the dried fruits industry is centred.

The decision to suspend the issue of licences for hemlock has had an adverse effect on the chances of successfully importing other types, particularly Douglas fir logs. When chartering a ship the more lumber that can be stowed on board the cheaper the freight becomes per unit of the cargo. To make full use of the space on vessels chartered to carry logs it is customary to stow sawn hemlock lengths in the spaces between the logs. Since this is no longer possible, the whole of the freight must be borne by the logs, so that the landed price is increased.

With the demand for dollar exchange as acute as it is at present, it is unlikely that any more timber will be allowed from "dollar countries" than the authorities consider essential to the country's war effort or to the maintenance of essential industries. This means that a free market for timber in Australia may not be expected until the need to conserve dollar exchange and shipping space is no longer pressing.

LICENSING REGULATIONS AMENDED

Since this report was prepared, the Australian licensing regulations affecting the import of lumber have been amended, and the Canadian Trade Commissioner at Sydney has advised the Department by cable that the following restrictions will be in effect during the four-month period December 1, 1940, to March 31, 1941, as published in *Commercial Intelligence Journal* No. 1924 (December 14, 1940), page 791:—

Imports of unsawn logs of Douglas fir, larch, and white fir (other than logs for use in the manufacture of plywood and veneers), and of undressed Douglas fir lumber (other than timber 12 by 6 inches and over for underground mining purposes and spars) will be reduced by 40 per cent below imports by the same importer from non-sterling countries during the base year ended June 30, 1939.

Hemlock and spruce of the above descriptions, also undressed lumber not less than 4 inches wide and 3 inches thick for making boxes, dressed lumber cut to size for making boxes, and lumber for making boxes and drying trays as prescribed by customs by-laws, are reduced by 50 per cent as from August 1, 1940, to March 31, 1941, by 75 per cent from April 1 to June 30, 1941, and by 100 per cent (i.e. no licences issued) from July 1, 1941.

Importations of dressed or moulded lumber, lumber tongued and/or grooved, and weatherboards, are prohibited; but for the purpose of establishing import quotas 60 per cent of base-year imports may be grouped with imports of the admissible types of logs, unspecified undressed lumber and timber for doors.

Importations of the following are reduced 100 per cent: Spars in the rough; undressed redwood and Western red cedar; undressed lumber cut to size for making boxes.

Each application for licence to import Douglas fir in sizes 12 by 6 inches (or its equivalent) and over for use underground for mining purposes will be dealt with on its merits.

The current licensing period for lumber includes the four months, December 1, 1940, to March 31, 1941. It is announced that subsequent licensing periods for lumber will be of three months each.

EASTERN CANADIAN TIMBERS

The opportunities for the sale of Eastern Canadian timbers in Australia are very limited. The types and sizes on which the lowest duties apply are not available in Eastern Canada, so that bulk business is not offering. In addition the freight rates from Eastern Canada to Australia are considerably higher than from the West Coast.

The volume of timber moving from West Coast Canadian ports is such that the shippers are in a position to charter their own boats at prices which reduce

the freight rates per board foot of timber much below those quoted by the regular liners running to Australia. The war has disturbed the charter market to some extent, and prices have advanced, but levels are still below any that could possibly be quoted by the regular lines operating from North American Atlantic ports, where the volume would never warrant the use of charters. Under peacetime conditions occasional outlets might be found for specialty types such as maple flooring for dance halls or for ornamental purposes, but under the present-day restrictions it is a virtual impossibility. In the first place people are not spending unnecessarily on luxury items. Secondly, the very nature of the import control regulations makes it difficult, because of the necessity of locating some firm with an unused quota and then convincing this firm that more profit can be made by using the quota for the purchase of Eastern Canadian wood than for the purchase of any other type. The high landed cost of Eastern Canadian timbers would mean that a given quota would represent less actual timber than if a cheaper variety were imported. In addition the Australian demand for imported decorative hardwood timbers will never be large, because the country possesses some of the finest decorative hardwoods to be found anywhere in the world. The exports of veneers and plywoods made from these timbers have been expanding regularly, while the quality compares well with that of any of the imported lines. Even in the matter of flooring, which is the only possible large outlet for Canadian hardwoods, Australia is well situated to meet her own requirements. The timbers are excellent for the purpose, and the prices much below any that could possibly be quoted from Eastern Canada. A further difficulty is that most Australian hardwoods are finished $\frac{7}{8}$ inch thick by 4-inch and 6-inch faces, whereas Canadian hardwoods are shipped in strips of $\frac{1}{4}$ -inch or $\frac{3}{8}$ -inch thickness in various narrow widths. The Australians as a rule do not lay a sub-floor, as is customary in Canada, and the narrow strips are not well adapted to this kind of construction.

MARKET OUTLOOK

The long-term outlook for West Coast timbers will be affected by any modifications that may be made in the insurance rates on wooden structures or in the attitude of the various Municipal Councils toward them. The present shortage of softwoods will undoubtedly encourage the use of substitutes and will tend to expand the local sawmilling industry, which will be certain to demand ample protection from imports when these again begin to compete in the market on a large scale. On the other hand, there are definite limits to the possible expansion in local industry. Australia is using up its accessible stands of timber at an increased rate, while forest fires have seriously impaired the reserves. Large quantities of salvage timber from the 22,000,000,000 feet which were burnt in forest fires in Victoria last year are now coming on the market and competing with imported timbers. This competition will not be permanent, as the probable life of this salvage timber is not more than three years. As time goes on and the stands draw farther away from the distributing centres, costs will increase, with the result that, if the tariff is maintained at its present level, imported timbers will enjoy a larger share of the market. Hoop pine, which is Australia's leading softwood timber, will last, according to official estimates, for only two or three more years if present cutting rates are maintained.

In addition the establishment of three large pulp mills, one in Victoria and two in Tasmania, has alienated large timber areas to conserve the supplies of available standing timber to meet the requirements of these pulp mills. Tasmania, which could probably maintain its annual output of about 98,000,000 super. feet for some years, is already looking for increased quantities of structural timbers from outside sources, while, according to the last forestry reports, Western Australia has now reached its maximum production of timbers. Out-

side of a few government pine plantations, which so far have only produced about 10,000,000 super. feet per annum, South Australia does not possess any native stands of timber of any importance. The output from these plantations could only be increased by an extensive planting campaign.

Victorian output is expected to reach its peak within five years, while production in New South Wales has shown a declining tendency for some time. This trend will doubtless be accelerated at the conclusion of the war, when timber prices may be expected to decline as the result of freer importations and lower freight rates. In Queensland the peak of production has been passed in structural timbers, and already the large sawmills are considering the installation of equipment to handle overseas logs or large-sized timbers to supplement their domestic supplies.

On the other hand it is reasonable to expect that the production of veneers, plywoods, and other decorative timbers, particularly for the cabinet trade, will increase. The tendency in the timber industry throughout Australia is to conserve remaining supplies for the higher-priced items, such as flooring, siding, interior trim, plywood and veneers. Undoubtedly, South Australia, New South Wales and Victoria will endeavour to extend their plantations of softwoods, which show such a remarkable increase per annum (sometimes in the neighbourhood of 8 per cent), but this will at best have only a minor effect on the timber position.

In general, therefore, on the return to normal conditions and assuming that the tariff remains at its present level or is reduced in the interests of the general public, an expanding market for structural timbers may be expected throughout Australia, and an increase in the use of clear grade softwoods in New South Wales and South Australia.

MR. DUCLOS TO VISIT VANCOUVER

Mr. V. E. Duclos, Canadian Trade Commissioner at Shanghai, China (whose territory includes Central China and North China), will be in Vancouver from January 6 to 11 in the interest of Canadian trade with his territory.

Firms wishing to be brought in touch with Mr. Duclos should communicate with the office of the Canadian Manufacturers Association, Vancouver.

BOOT AND SHOE INDUSTRY IN NEW ZEALAND

C. B. BIRKETT, ASSISTANT TRADE COMMISSIONER

(One New Zealand pound equals \$3.60 Canadian at current rate of exchange.)

Auckland, November 11, 1940.—Except in children's sizes (0-9 inclusive) all leather footwear from any country is prohibited entry into New Zealand. The complete protection thus afforded the Dominion's boot and shoe industry has been in force almost since the introduction of import, export and exchange control in December, 1938. The natural result has been a notable expansion in the local industry's production to meet orders formerly placed abroad, involving an increase in the number of factories, extension of premises, and an increase in persons employed. The replacement of former imports, combined with the pressing demand for army footwear, is keeping the industry fully occupied. During 1939 the number of pairs of boots, shoes and slippers made totalled more than 4,000,000, outstripping the previous record high level of 3,222,118 pairs by over 800,000 pairs. The production figures for the current year will reveal further expansion.

Although fairly well established before the import restrictions were enforced, the industry is going through a state of further development, particularly in the turning out of fine footwear to compare with the English and American shoes

which formerly dominated the better-class market. In this respect the manufacturers are having more success with women's shoes than with men's. A shortage of skilled labour still exists and it will be some time before a real approach to English and American standards is achieved.

The requirements of leather are now being obtained largely from local tanners, whose production has also increased under the import restrictions. The regulations prohibit the import of all shoe leather except goat and kid, glace kid, and upper leather. The last-mentioned is permitted entry only up to 50 per cent of imports during 1938 and, in view of the need to conserve dollars, preference is almost invariably given to Australian and English suppliers.

DOMESTIC PRODUCTION AND CONSUMPTION

The following table shows the production of New Zealand factories in the fiscal years 1937-38 to 1939-40 and imports and exports in the calendar years 1937 to 1939:—

	Domestic Production Pairs	Imports Pairs	Total Domestic and Imports Pairs	Exports Pairs
1937-38	3,202,040	2,893,296	6,095,336	10,032
1938-39	3,222,118	2,498,352	5,720,470	9,708
1939-40	4,093,181	1,628,712	5,721,893	3,372

The figures of imports shown in the table include all leather footwear, children's shoes, rubber and canvas footwear, goloshes, boots with rubber soles, slippers, leather uppers, and miscellaneous footwear. Gumboots are not included, nor are such accessories as cork soles, heel and toe plates, etc. Approximately 50 per cent of the imports of boots and shoes normally consist of goloshes and rubber-soled shoes for sports wear, etc., and the statistics of imports and of production in New Zealand factories are thus not altogether comparable. The domestic manufacture of rubber-soled canvas shoes is a development of the past twelve months; as yet it is in the hands of one firm, production of which has just recently bettered 2,000 pairs per day and is increasing. The figures of production given in the foregoing table, therefore, do not cover canvas shoes.

MATERIALS USED IN DOMESTIC INDUSTRY

The following table shows the value of New Zealand and imported leather, and of other materials, used in New Zealand boot and shoe factories in the years 1937-38 to 1939-40:—

	Leather New Zealand Imported Figures in New Zealand Pounds		Other Materials New Zealand Pounds	Total
1937-38	348,194	161,874	203,641	713,709
1938-39	356,054	158,733	216,110	730,897
1939-40	465,285	204,151	291,065	960,501

It is expected that the proportion of New Zealand leather used will show a more marked increase in the 1940-41 figures. Since materials for making rubber-soled canvas shoes are not yet included in "other materials", the greater part of the value under this item in the table is undoubtedly for materials for slippers, which are used extensively for factory and house wear in this country.

PRINCIPAL PRODUCTS OF NEW ZEALAND'S BOOT AND SHOE INDUSTRY

The following table shows the quantities of principal classes of footwear produced by New Zealand factories from 1937-38 to 1939-40:—

	Adults' Boots and Shoes Pairs	Slippers Pairs	Children's Boots and Shoes (incl. Sandals) Pairs	Uppers for Sale Pairs
1937-38	1,657,962	1,344,229	199,849	1,103
1938-39	1,715,090	1,244,083	262,945	656
1939-40	2,060,086	1,585,662	447,433	626

Adults' boots and shoes made during 1939-40 increased in number by 20 per cent as compared with 1938-39. Production of children's boots and shoes rose by 70 per cent, and the output of slippers by 27 per cent. In the figures shown for slippers, felt slippers represent 1,421,974 pairs, while leather slippers comprise the remaining 163,688 pairs.

IMPORTS AND IMPORT RESTRICTIONS

The restrictions upon imports of footwear during the second half of 1940, that is, the percentage of reduction of imports as applied to the value of imports of the articles during the second half of 1938, are as follows:—

Tariff Item	United Kingdom Per Cent	Other British Countries Per Cent	Foreign Countries Per Cent
195 Children's footwear, all types—sizes 0-9 inclusive	Nil	Nil	Nil
196 (1) Shoes n.e.i. composed of canvas with rubber soles	100	100	100
(1) Boots n.e.i. composed of canvas with rubber soles; goloshes and overshoes	Nil	50	100
(2) Slippers n.e.i.	100	100	100
(3) Boots and shoes, etc., n.e.i.	100	100	100
197 Gumboots	Nil	25	100
202 Leather uppers	100	100	100

The restrictions announced for 1941 are unchanged from those for the second half of 1940 except in respect to gumboots. These will not be restricted below 1938 imports from Canada as well as from the United Kingdom, but will be still prohibited from foreign countries.

The latest statistics reveal that 36,855 dozen pairs of footwear of all types, including uppers, were imported into New Zealand during the first eight months of 1940. This quantity compares with 122,961 dozen pairs during the first eight months of 1939, and represents a decrease of over 70 per cent.

The latest separate statistics available are for 1938. In that year, of a total importation of 229,240 dozen pairs, canvas rubber footwear made up 48 per cent, leather uppers 19 per cent, children's boots and shoes 16 per cent, gumboots 9 per cent, slippers 7 per cent, and "other kinds" (adults' leather) less than 1 per cent.

Since adults' boots and shoes of leather, canvas rubber-soled shoes, and slippers are prohibited imports, it can be assumed that the 36,855 dozen pairs of footwear imported so far this year have been made up of children's footwear, boots and goloshes of canvas and rubber and gumboots, in proportions approximating those mentioned for the 1938 importation. So far as can be ascertained, the United Kingdom as usual supplied the bulk of the children's footwear, and Canada provided the greater part of the canvas boots, rubber goloshes and gumboots.

Japan has for some years been a keen competitor of Canada in the supply of canvas shoes. This year, however, Canada has received the greater share of the business. While the import regulations permit entry only to boots (as opposed to shoes), advices from importers are to the effect that canvas shoes have also been imported. This can only be explained by the issue of special licences to satisfy urgent needs when local stocks have been in short supply.

Canada will continue to be the principal source of supply of gumboots, although imports are now restricted to bare requirements.

TRADE OF NEW ZEALAND, JANUARY TO JUNE**W. F. BULL, CANADIAN TRADE COMMISSIONER**

(One New Zealand pound equals \$3.60 Canadian at current rate of exchange)

Auckland, November 15, 1940.—Statistics have recently been published covering the trade of New Zealand for the six months and twelve months ended June 30, 1940. These figures show the results of the operation of the import, export and exchange control regulations under which the trade of this country has been rigidly controlled since December, 1938. In earlier periods the true effect of this control was tempered by the concession given importers to bring in all goods on order prior to the coming into force of the regulations.

Exports of New Zealand commodities for the twelve months ended June, 1940, reached the highest value yet recorded for any production year. This value was £65,870,000, an increase of £8,000,000 or 13·8 per cent over the previous year's figure of £57,850,000. The heaviest increase took place in the first six months of this year, exports for this period being valued at £44,631,000 as compared with £36,822,000 for the first half of 1939, an increase of 21 per cent.

While exports were showing this healthy increase, imports—as a direct result of the import restriction policy—showed a substantial decrease. For the twelve months ended June, 1940, imports into New Zealand from all countries were valued at £46,070,000 as compared with £56,500,000 in the previous twelve months, a reduction of 18 per cent in value. For the six months ended June, 1940, imports were valued at £24,869,000 as against £28,186,000 for the first half of 1939.

The operation of these two factors, increased exports and decreased imports, has greatly improved New Zealand's foreign exchange position, which was the main purpose of the imposition of import, export and exchange control in 1938. The value of exports for the twelve months ended June, 1940, exceeded the value of imports by £19,788,000 as compared with £1,392,000 for the twelve months ended June, 1939. This favourable balance of trade is well above the average and has only been exceeded in one year (1934) during the past ten years. As a result of this favourable balance of trade, New Zealand now has adequate foreign exchange holdings to meet all debt charges and other overseas commitments, which are estimated at a total of £12,000,000 per year. There should be none of the difficulties experienced during 1939 in financing imports licensed under the import control regulations. It is not proposed to relax the import restrictions in any way, and the schedules recently published covering 1941 list further reductions.

EXPORTS

The volume of New Zealand's exports in any one year depends on growing conditions during the producing period. Climatic conditions in New Zealand make this country one of the best pastoral areas in the world. With the exception of the sheep stations located at high altitudes stock-raising is not affected by a snow problem, and stock feed outside all the year round. The rainfall is ample and evenly spread over the year, with the result that the pastures provide adequate new growth for all but two or three winter months. During the past twelve months growing conditions have been ideal, and certain areas have shown a substantial increase in butterfat production for export. Production for the whole country was approximately the same as in 1939, and the tendency toward reduced production in recent years appears to have been checked.

Butter is the most valuable of all New Zealand's export products, and for the twelve months ended June, 1940, exports amounted to 2,314,000 cwts.

valued at £16,038,000 as compared with 2,468,000 cwts. valued at £15,834,000 in the preceding period. Cheese exports increased in both value and volume, and an increasing quantity of butterfat is being diverted from butter to cheese. The figures for the twelve months ended June, 1940, were 1,755,000 cwts. valued at £6,797,000 as against 1,599,000 cwts. valued at £5,706,000 for the previous year.

There was a decrease in the wool clip, but the value of wool exports during the year increased as a result of the favourable prices obtained for New Zealand wool under the United Kingdom purchase plan. Exports of wool for the twelve months ended June, 1940, amounted to 806,000 bales valued at £14,664,000; for the previous year they totalled 901,000 bales valued at £12,899,000. Lamb and mutton exports increased substantially, and a heavy accumulation of mutton, built up as a result of the pre-war meat quota in the United Kingdom, was marketed successfully. The export figures for the years ended June, 1940, and June, 1939, are: lamb, 3,152,000 cwts. valued at £10,821,000 as compared with 2,592,000 cwts. valued at £8,768,000; and mutton, 1,578,000 cwts. valued at £2,717,000 as compared with 1,029,000 cwts. valued at £1,813,000.

With the exception of beef and apples, the value of all other important New Zealand products exported showed an improvement as compared with the previous twelve months. The export figures for the year ended June, 1940, are as follows: sheepskins, 14,590,000 lbs. (£1,941,000); beef, 901,000 cwts. (£1,769,000); pork, 492,000 cwts. (£1,734,000); sausage skins, 5,436,000 lbs. (£943,000); cattle skins and hides, 1,515,000 (£767,000); tallow, 32,000 tons (£590,000); veal, 168,000 cwts. (£365,000); apples, 24,117,000 pounds (£232,000).

As usual the United Kingdom took upwards of 90 per cent of New Zealand's exports. Under the special war marketing scheme all New Zealand butter, cheese, wool and meats become the property of the British Government as soon as they are appraised or delivered to the wharf for export. Other leading purchasers, in order of importance, were the United States, Australia, Canada, and France.

IMPORTS

As mentioned above, the import statistics covering the first half of 1940 provide the first definite picture of the effects of the import control regulations. During the first licensing period—January to June, 1939—all goods on order previous to December 5, 1938, were allowed entry. In addition there was a fairly substantial importation of new plant and of raw and semi-manufactured products for local industries. As a result, imports in the first half of 1939 were above the average and higher than those in 1938. For the second half of 1939 the restrictions were more severe; in each succeeding period more items have been added to the prohibited list, and local manufacturers have found it more difficult to get extra licences even for plant and raw materials. By the first half of 1940 the concession covering goods on order prior to December 5, 1938, had been cancelled, and the full force of the restrictions was being felt.

Imports during the period January-June, 1940, were valued at £24,869,000, a reduction of 11 per cent from the figure for the same six months of 1939 when imports were valued at £28,186,000. For the twelve months ended June, 1940, the decrease was more pronounced—£46,070,000 as against £56,600,000, a reduction of £10,430,000. This reduction in value of 18 per cent is equivalent to a reduction in volume of more than 30 per cent when the increase in cost of all imported items is taken into consideration.

Through the import control regulations every effort has been made to give a maximum preference to goods of United Kingdom origin, and in many cases business has been diverted to the United Kingdom from foreign countries and other Empire countries. As a result of the war certain items have not

been available from the United Kingdom, and for this reason the import selection policy has not succeeded in building up United Kingdom trade as much as was at first expected.

Second preference under the import regulations was given to Australia and other units of the Empire in the sterling group. Canada ranked behind the sterling group but ahead of the United States and other foreign suppliers. Many articles formerly supplied by Canada and the United Kingdom are now drawn from Australia. This country is the only major source of supply to show an increase in shipments to New Zealand during the first six months of this year. Many of the most important articles in Canada's trade with New Zealand have been classed as non-essentials, with the result that Canada has suffered more from the import restrictions than any other large supplier.

The following table shows for the first six months of 1940 and 1939 the relative positions of the leading countries shipping to New Zealand and the effects of import control on their trade with this country:—

Imports into New Zealand by Principal Countries

	Jan.-June, 1940		Jan.-June, 1939		Inc. or Dec.	
	£ (N.Z.)	Per Cent of Total	£ (N.Z.)	Per Cent of Total	Value £ (N.Z.)	Per Cent
United Kingdom ..	12,198,046	49.0	13,479,145	47.8	-1,281,099	- 9.5
Australia	3,553,771	14.3	3,344,693	11.8	+ 209,078	+ 6.2
Canada	1,351,333	5.4	2,862,921	10.1	-1,511,588	-52.8
United States.. . .	2,617,085	10.5	3,041,277	10.8	- 424,192	-10.6
Netherlands India.	1,063,065	3.7	1,404,030	5.0	- 340,965	-24.3
Japan.....	290,240	1.1	545,010	1.9	- 254,770	-46.7

Detailed figures are not yet available covering imports from each country by commodities; however, the following preliminary figures have been issued covering the value of total imports into New Zealand by commodities for the first six months of 1940 as compared with the same period in 1939:—

Principal Imports into New Zealand

	Jan.-June, 1940 £ (N.Z.)	Jan.-June, 1939 £ (N.Z.)
Fish.....	94,544	139,954
Confectionery.....	33,691	51,347
Fruits, canned.....	30,619	71,020
Fruits, dried.....	40,699	31,375
Raisins and sultanas ..	186,721	190,634
Barley	47,228	32,955
Wheat	152,125	365,546
Maizena and cornflour ..	21,851	27,011
Pollard	30,715	69,496
Sugar	524,434	384,198
Tea	578,589	419,064
Gin (Geneva), etc. . . .	60,447	54,822
Whisky	186,710	168,421
Cigarettes	73,947	187,144
Tobacco, manufactured ..	2,955	123,529
Tobacco, unmanufactured ..	213,174	294,318
Seeds	87,110	65,781
Wood pulp and paper pulp ..	25,657	28,880
Hats, caps, millinery .. .	140,892	171,545
Hosiery	51,847	164,504
Apparel	95,155	704,520
Footwear	80,475	299,787
Minor articles for the manufacture of apparel ..	116,495	109,028
Floor coverings	305,611	371,253
Cotton piece-goods	1,207,811	781,795
Silk and artificial silk piece-goods ..	552,757	518,938
Woollen piece-goods	512,031	444,005
Motor spirits	1,118,753	1,027,609
Crude petroleum, oil, etc. . .	283,480	256,136
Linseed oil	145,709	59,788
Paints and colours	249,057	241,930
Iron and steel: bar, bolt and rod ..	154,476	254,784
Bolts and nuts	51,630	68,732
Copper pipes, plate, etc. . .	85,097	80,031
Cordage of metal	94,331	80,631

Principal Imports into New Zealand—Concluded

	Jan.-June, 1940 £ (N.Z.)	Jan.-June, 1939 £ (N.Z.)
Galvanized plate and sheet	173,509	320,945
Plate and sheet, black	117,559	149,332
Plate and sheet, tinned	324,787	188,919
Tubes, pipes, etc.	391,098	382,695
Meters, measuring, etc.	120,212	125,292
Artificers' tools	126,934	167,146
Copper wire	91,590	96,467
Fencing wire, barbed	6,081	45,936
Fencing wire, plain	18,004	89,505
Other iron wire	186,468	137,724
Hardware, cutlery and metal manufactures	328,808	429,527
Agricultural implements and machinery	54,613	83,526
Dairying machinery	50,324	48,734
Electrical machinery and equipment	1,297,961	1,524,353
Wireless apparatus	138,590	204,303
Gas and oil engines	61,441	73,606
Metal and wood-working machines	138,068	179,035
Tractors and parts	220,297	356,276
Dredging machinery	166,012	90,606
Machinery, other kinds	781,102	1,015,738
Raw rubber and rubber goods, other than tires	124,581	97,986
Leather	149,392	118,291
Timber, rough sawn	129,965	230,401
Timber, other	11,216	164,564
Veneers and plywood	57,894	47,602
Cardboard and wallboard	188,473	191,144
Newsprint	233,326	220,730
Printing paper, other	226,025	154,317
Other paper	339,473	228,262
Books, papers, etc.	272,197	316,150
Stationery	74,900	107,806
Photographic materials	108,479	131,232
Surgical and dental materials	126,774	90,160
Medicinal preparations and drugs	183,865	210,951
Sulphur	228,115	141,003
Toilet preparations	28,110	96,090
Manure (phosphates)	276,306	416,265
Motor vehicles	662,911	3,160,257
Tires for motor vehicles	377,988	515,005
Materials for motor vehicles	153,374	199,161
Other vehicles and parts	124,268	68,920
Arms, ammunition and explosives	1,581,309	411,005

TRADE WITH CANADA

During the first half of 1940 the total trade between Canada and New Zealand was valued at £2,269,711 as compared with £3,465,584 for the corresponding period of 1939. Imports from Canada were cut in half, while exports from New Zealand to Canada increased in value from £602,603 to £918,378. Accordingly the balance in favour of Canada was reduced from £2,251,805 in the first half of 1939 to £428,919 in the first half of 1940 and, when the value of Canadian purchases of New Zealand products through the United Kingdom is taken into consideration, this unfavourable balance from a New Zealand point of view becomes a favourable one.

The increase in Canada's purchases of New Zealand products in the January-June period of 1940 is the result of a larger movement of greasy wool and woolly sheepskins to Canada. The figures for the leading New Zealand exports to Canada in the period are: greasy wool, 16,793 bales (£353,413); woolly sheepskins, 2,699,404 pounds (£154,668); sausage casings, 955,058 pounds (£195,022); cattle hides, 41,890 in number (£50,427); casein, 6,278 cwts. (£16,253); calfskins, 42,591 in number (£12,579); butter, 1,000 cwts. (£6,975).

The appended table lists the values of the more important Canadian products sold in New Zealand, with an indication of the treatment of each of these Canadian products under the import control regulations for the first half of 1940 and for the whole of 1941. In the case of most raw or semi-manufactured products for local industries no basic allocation is made, and

each application for an import licence is individually considered (indicated by an asterisk in the table). It is most likely that importations from Canada under this heading will not be licensed if the goods can be purchased in the United Kingdom or Australia. The percentage reduction is based on the value of the particular commodity imported from Canada in the corresponding period of 1938.

Principal Imports from Canada

	Jan.-June 1940 £ (N.Z.)	Jan.-June 1939 £ (N.Z.)	Percentage Reduction Jan.-June, 1940	Percentage Reduction 12 Months, 1941
Fish, tinned.	48,981	83,138	100	100
Wheat . . . . .	.....	23,524	Imported by Government	
Maizena and cornflour	11,163	962	100	*
Salt	5,126	4,514	Nil	Nil
Provisions n.e.i.	45	24,752	100	*
Furskins, green and sun-dried	12,846	16,634	100	*
Wood pulp and paper pulp	5,509	.....	Nil	*
Hats, caps, and millinery, including hat hoods	12,861	16,610	100	100
Hat hoods . . . . .	.....	.....	Nil	*
Hosiery	4,391	20,844	100	100
Apparel, n.e.i.	2,607	44,535	100	100
Gum boots	44,071	67,921	50	Nil
Leather footwear	34	24,210	100	100
Rubber footwear	9,865	17,687	50	100
Cotton piece-goods.	6,256	7,659	*	100
Silk and artificial silk piece-goods.	18,573	25,011	*	100
Paints and varnishes	8,261	6,838	100	100
Brass in bars, etc.	14,509	.....	Nil	*
Iron and steel: bar, bolt and rod	3,840	4,702	*	*
Metal and ores, other kinds	4,304	531	*	*
Bolts and nuts	3,453	6,716	50	100
Copper plate, sheet.	26,371	21,241	Nil	*
Cordage of metal . . . . .	.....	9,773	*	*
Metal leaf and foil.	4,215	1,669	Nil	*
Measuring instruments	5,816	2,836	Nil	Nil
Copper tubes.	18,433	14,791	Mostly 100	Mostly 100
Iron and steel tubes	50,979	32,758	Mostly 100	Mostly 100
Artificers' tools.	22,160	29,727	50	50
Iron wire, other than fencing	69,855	32,411	*	*
Hardware.	5,258	19,616	100	100
Agricultural machinery	5,333	11,448	Mostly 100	Mostly 100
Calculating machines	15,100	20,165	100	50
Batteries, other than storage	147	10,067	100	100
Electric motors	21,935	22,649	*	*
Other electrical apparatus	29,485	18,811	Under several headings	
Electric ranges.	745	14,824	100	100
Spark plugs	8,106	17,161	Nil	Nil
Typewriters	1,681	11,554	100	100
Washing machines.	18,136	52,867	100	*
Insulators and fittings.	8,006	15,227	100	100
Other machinery, n.e.i.	6,186	12,589	Under separate headings	
Belts and belting	16,733	16,600	Nil	Nil
Hose tubing, piping	3,146	6,846	100	100
Other rubber manufactures.	3,880	12,824	100	100
Leather n.e.i.	518	5,027	50	50
Sole leather. . . . .	.....	.....	100	100
Rough-sawn Douglas fir	16,584	25,810	*	*
Veneers and plywood	8,319	9,894	Nil	*
Cardboard and wallboard	20,916	36,565	*	*
Paperhangings	6,175	12,931	50	50
Newsprint	219,084	168,867	Nil	*
Printing paper	16,791	5,521	Nil	Nil
Wrapping paper	11,706	17,491	50	50
Fruit wrapping paper.	8,834	4,186	Nil	*
Paper for use in manufacture	15,677	3,630	*	*
Paper, other kinds in large sizes	8,084	5,799	50	*
Paper, other kinds in small sizes	349	7,630	100	100
Clocks	5,378	10,331	50	50
Calcium carbide	15,671	7,321	Nil	Nil
Disinfectants and weed killers.	5,438	1,474	Nil	*
Perfumery and toilet preparations	304	4,332	100	100
Sodium chlorate.	10,000	5,890	Nil	*
Parts of aeroplanes	5,225	2,195	*	*
Passenger vehicles c.k.d. . . . .	.....	993,321	100	100

Principal Imports from Canada—Concluded

	Jan.-June 1940 £ (N.Z.)	Jan.-June 1939 £ (N.Z.)	Percentage Reduction Jan.-June, 1940	Percentage Reduction 12 Months, 1941
Lorries, trucks, etc.	125,101	310,916	100	*
Rubber tires.	117,129	191,702	50	100
Articles for the manufacture of goods in New Zealand	6,946	855	*	*
Roofing materials	4,179	2,551	*	*
Soap, all kinds	810	4,110	100	100

There are several examples in the above table of a commodity that is on the prohibited list but still imported from Canada in fair quantities. In the case of canned salmon and other fish products, importers were given licences if they could provide their own foreign exchange from private sources to pay for these imports. Trading in the unofficial exchange market has been made illegal, and no further "no remittance" licences are being issued. To accommodate importers the second licensing period (July-December, 1939) was extended to the end of June, 1940. This accounts for most of the importation of prohibited goods during the first half of 1940.

Detailed import and export statistics and full particulars of the New Zealand import control regulations are available to interested Canadian firms on application to the Department of Trade and Commerce, Ottawa.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to November 30, 1940:—

	Total Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to Nov. 30, 1940 Quantity	Per Cent
Cattle (700 lbs. or more) . . .Head	225,000	3 to 1½c. per lb.	134,713	59.4
Cattle (less than 200 lbs.) . . Head	100,000	2½ to 1½c. per lb.	100,000	Quota filled
Whole milkGals.	3,000,000	6½ to 3½c. per gal.	6,923	....
CreamGals.	1,500,000	56¾ to 28¾c. per gal.	936	....
Filleted fish, fresh or frozen: cod, haddock, hake, pollock, cusk, and rosefishLbs.	15,000,000	2½ to 1¼c. per lb.	9,442,194	62.9
Seed potatoesBus. beginning Sept. 15, 1940	1,500,000	75 to 37½c. per 100 lbs.	213,692	14.3
White or Irish potatoes, other than seed potatoesBus. beginning Sept. 15, 1940	1,000,000	75 to 60c. per 100 lbs. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30	25,591	2.5
Silver or black fox furs . . .Units	100,000 beginning Dec. 1, 1939	50 to 35 per cent ad val.	58,300	Quota filled
Red cedar shinglesSquares	2,371,544	Free	2,371,544	Quota filled

During the fourth quarter of 1940 Canada shipped 31,802 head of cattle weighing 700 pounds or more, other than dairy cows, to the United States, or 61.4 per cent of the quarterly quota allotment of 51,720 head. The quota allotment of 6,210 head from countries other than Canada for the fourth quarter of this year has been filled and receipts over and above this amount have been subject to the full tariff rate.

TARIFF CHANGES AND TRADE REGULATIONS

South Africa

IMPORTATION OF ALUMINIUM AND ALUMINIUM PRODUCTS PROHIBITED,
EXCEPT UNDER PERMIT

Mr. J. C. Macgillivray, Canadian Trade Commissioner at Cape Town, writes under date November 18 that, under the South African National Emergency Regulations, the importation, except under permit, of aluminium and aluminium products into the Union is prohibited.

This order, which became effective on November 13, exempts goods in transit at the time of its publication and also specifies that it includes aluminium in the form of ingots, bars, pellets, strips, circles and extruded sections, sheets and foil.

Federated Malay States

IMPORT REGULATIONS AMENDED

Federated Malay States Notices of October 26 and 28, 1940, transfer "printing ink" from the list of goods restricted importation to the list prohibited importation from Canada and other non-sterling areas, and add "aluminium-ware" to the list of goods restricted importation from such areas.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING DEC. 23, 1940

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, December 23, 1940, and for the week ending Monday, December 16, 1940, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Dec. 16	Nominal Quotations in Montreal Week ending Dec. 23	Official Bank Rate
Finland	Markka	.0252	\$.0216	\$.0216	4
Great Britain	Pound	4.8666			
	Buying		4.4300	4.4300	2
	Selling		4.4700	4.4700	—
Hungary	Pengo	.1749	.3227	.3227	4
Yugoslavia	Dinar	.0176	.0249	.0249	5
Portugal	Escudo	.0442	.0444	.0444	4-4½
Spain	Peseta	.1930	.1013	.1013	4
Sweden	Krona	.2680	.2644	.2645	3½
Switzerland	Franc	.1930	.2575	.2575	1½
United States	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2270	.2270	3
Jamaica	Pound	4.8666	4.4800	4.4800	—
Other British West Indies	Dollar	1.0138	.9313	.9313	—
Argentina	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2609	.2620	—
Brazil	Milreis (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0557	.0557	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia	Peso	.9733	.6343	.6348	4
Uruguay	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.4383	.4382	—
South Africa	Pound	4.8666	4.4600	4.4600	3½
Egypt	Pound (100 Piastres)	4.9431	4.6000	4.6000	—
China (Shanghai)	Dollar	.....	.0638	.0587	—
Hongkong	Dollar	.....	.2618	.2620	—
India	Rupee	.3650	.3359	.3359	3
Japan	Yen	.4985	.2602	.2602	3.29
Straits Settlements	Dollar	.5678	.5256	.5256	—
Australia	Pound	4.8666	3.5760	3.5760	3
New Zealand	Pound	4.8666	3.5900	3.5900	4

TRADE OPPORTUNITIES ABROAD FOR CANADIAN PRODUCTS

The Trade Inquiries for Canadian products published below have been received since the publication of the last issue of the *Commercial Intelligence Journal*. Interested exporters may secure the names and addresses of the firms making these inquiries, together with further details regarding the commodities required, on application to the Director, Commercial Intelligence Branch, Department of Trade and Commerce, Ottawa, or—

Secretary, Board of Trade—

Saint John, N.B.
Halifax, N.S.
Quebec, P.Q.
Montreal, P.Q.
Toronto, Ont.
Chatham, Ont.

Guelph, Ont.
Kitchener, Ont.
Brantford, Ont.
Stratford, Ont.
Woodstock, Ont.
St. Mary's, Ont.

Portage la Prairie, Man.
St. Boniface, Man.
Winnipeg, Man.
Vancouver, B.C.
New Westminster, B.C.

Secretary, Chamber of Commerce—

Sherbrooke, P.Q.
Kingston, Ont.
Oshawa, Ont.
Belleville, Ont.

Peterborough, Ont.
London, Ont.
St. Catharines, Ont.
Hamilton, Ont.

Victoria, B.C.
Prince Rupert, B.C.

Windsor Chamber of Commerce, Windsor, Ont.

Commercial Intelligence Service, Department of Municipal Affairs, Trade and Commerce, Quebec.

Department of Industry, Brantford, Ont.

Industrial Commissioner, Stratford, Ont.

La Chambre de Commerce de Montréal, 25 St. James E., Montreal, P.Q.

Secretary, Canadian Manufacturers Association—

Toronto, Ont.
Montreal, P.Q.

Winnipeg, Man.
Edmonton, Alta.

Vancouver, B.C.
Victoria, B.C.

Director, Bureau of Industrial and Trade Extension, Department of Trade and Industry, Victoria, B.C.

Canadian exporters should, for follow-up purposes, transmit a copy of any reply sent in response to a Trade Inquiry to the Trade Commissioner in the territory from which the inquiry emanated.

Commodity	No.	Location of Inquirer	Purchase or Agency
Miscellaneous—			
Artificial Flowers	716	Bridgetown, Barbados.....	Agency.
Ribbons	717	Bridgetown, Barbados.....	Agency.
Necktie Materials.....	718	Lima, Peru	Agency.
Shirtings.....	719	Lima, Peru	Agency.
Terry Cloth for Bathrobes.....	720	Lima, Peru	Agency.
Cotton Dresses, Ladies' and Children's	721	Port Elizabeth, South Africa.....	Agency.
Feather Dusters.....	722	Lima, Peru	Purchase.
Glassware, Table	723	Lima, Peru	Purchase.
Cutlery, Table	724	Lima, Peru	Purchase.
General Hardware.....	725	Hamilton, Bermuda.....	Purchase.
Lanterns.....	726	Lima, Peru	Purchase.
Counter Scales.....	727	Lima, Peru	Purchase.
Earthenware, White and Coloured.....	728	Lima, Peru	Purchase.
Meat Grinders (Hand).....	729	Lima, Peru	Purchase.
Irons, Sad and Tailors' (Hand)...	730	Lima, Peru	Purchase.
Conductors, Flexible, Armoured.	731	Lima, Peru	Purchase and Agency.
Acetone, C.P.....	732	Mexico City, Mexico.....	Agency.

COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

Argentina

J. A. STRONG, B. Mitre 430, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: L. M. COSGRAVE. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. "Brasilia," Sala 1110, Av. Rio Branco 311. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British Malaya

J. L. MUTTER, Union Building, Singapore, Straits Settlements. (Territory includes the Straits Settlements, the Federated Malay States, the Unfederated Malay States, Thailand, British Borneo, and Netherlands India.) *Cable address, Canadian.*

British West Indies

Trinidad: Acting Trade Commissioner. Address for letters—P.O. Box 125, Port of Spain. Office—Barclay's Bank Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

China

V. E. DUCLOS. Address for letters—P.O. Box 264, Shanghai. Office—Ewo Building, 27 The Bund, Shanghai. (Territory includes Central China and North China.) *Cable address, Canadian.*

Cuba

C. S. BISSETT. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

HENRI TURCOT. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran, Greece, Turkey, Bulgaria, and Roumania.) *Cable address, Canadian.*

Hongkong

P. V. McLANE. Address for letters—P.O. Box 80, Hongkong. Office—Hongkong and Shanghai Bank Building, Hongkong. (Territory includes South China, the Philippines, and Indo-China.) *Cable address, Canadian.*

Ireland

JAMES CORMACK, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con*

Japan

C. M. CROFT, Commercial Secretary. Address for letters—P.O. Box 18, Akasaka Post Office, Tokyo. Office—Canadian Legation, 16 Omotecho, 3-chome, Akasakaku, Tokyo. *Cable address, Canadian.*

Mexico

A. B. MUDDIMAN. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

New Zealand

W. F. BULL. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, and Costa Rica.) *Cable address, Canadian.*

Peru

M. J. VECHSLER. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Bolivia, Ecuador, and Chile.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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